

DEPARTMENT OF COMMERCE.

HOUSE OF REPRESENTATIVES,
Friday, December 5, 1902.

The committee met at 10.30 o'clock a. m., Hon. William P. Hepburn in the chair.

The CHAIRMAN. We are to consider now an act to establish the Department of Commerce and Labor. The bill we have before us is Senate bill 569. You are doubtless all familiar with it, and have noticed that it is proposed that the new Department shall be composed of, or shall have charge of, a number of administrative subjects—the Life-Saving Service, the Light-House Board and the Light-House Service, the Marine-Hospital Service, the Steamboat-Inspection Service, the Bureau of Navigation and the United States Shipping Commissioners, the Bureau of Immigration, and the Bureau of Statistics, the Census Office, the Department of Labor, and various other matters.

It has also been proposed to add to these—or it has been a matter of discussion—the Bureau of Patents. I would be glad if the gentlemen representing the departments would give to the committee their views as to the propriety of taking those bureaus into this new department.

STATEMENT OF HON. THOMAS RYAN, ASSISTANT SECRETARY OF THE INTERIOR.

The CHAIRMAN. Mr. Ryan, I would be glad if you will give us your view as to the propriety of taking those bureaus from the Department of the Interior which have been suggested in this bill. If there be administrative objections, give us information upon that. If there are other bureaus that might with advantage be attached to the Department of Commerce and Labor, we would like to have you suggest something on that.

MR. RYAN. Mr. Chairman, I do not think that there is any objection to the transfer of the Census Bureau to the proposed new department. I suppose the new department will be concerned chiefly with production, transportation, and consumption, or markets.

The Census Office as now organized is a statistical bureau, charged under the law with the duty of gathering statistics or information concerning nearly all branches of production, and I therefore think that it would be not only useful but almost indispensable to the new department in the accomplishment of the purposes for which it is to be organized.

But so far as the Patent Office is concerned, I do not see that that would contribute much to the promotion of the objects of the new department. The Patent Office is simply a tribunal to determine whether an inventor is entitled to certain privileges—rights of prop-

erty—in his invention under the law. It is simply a place where you might look for an inventor's title papers; nothing else. Of the nearly 30,000 patents for inventions granted last year, I do not suppose that you could find in the Department whether one of the articles patented has been manufactured. There is nothing in the Department to show production; simply the title papers; analogous, perhaps, to the Public Lands Bureau, where you will find the title papers to millions of farms that have been taken under the old preemption law and under the homestead law. You will not find in the Land Office whether those farms are producing anything or not. You will find nothing that will aid a committee or a department of commerce.

In one respect, perhaps, the Land Office would be more advantageous to a department of commerce than the Patent Office, because there you would find abundant information regarding the resources of the country and our possibilities of production. In the Patent Office you will not find even that. So that I can not see that the Patent Office would be of the least assistance whatever to the new department. The Patent Office was a part of the original organization, as you well know, of the Interior Department. That Department was organized in 1849, seemingly the object being to gather in one department those executive duties that pertain to home affairs, those having in some degree an interior character. In fact, the organic act is entitled "An act to establish the Home Department." The "Interior Department" does not appear in the title. So there was taken from the State Department the census work—the Census Office—and also the Patent Office, and from the Treasury the Land Office, and from the War Department the Indian Office, these seeming to be, in respect of home affairs, of a kindred nature. They are still so, and in that respect they are as homogeneous as would be the Patent Office in the new department, or to the new department.

The Post-Office building, Mr. Chairman, is, as you know, a pretty old one. The first appropriation was made for it in 1836, and \$180,000, as I recollect, was appropriated for a site and to commence the building, and that provided for a Patent Office building, and the appropriation was made from what was then known as "Patent Office fund"—that is, a fund made up from the revenues of the Patent Office, which was required to be paid into the Treasury. That fund existed for a long time, but, I think, some ten or twelve years ago, or several years ago, it was by law put back into the Treasury. But the subsequent appropriations were all from the Treasury, from unappropriated funds in the Treasury, and not specifically from that fund.

The south wing of the Patent Office was constructed early enough so that the Patent Office moved into it in 1840, nine years before the Interior Department was organized. Then, when the Interior Department was organized, the Secretary of the Interior went into the building and occupied it, and it has been the home of his office from that day to this.

The relations between the Secretary of the Interior and the Department, or the Bureau, of Patents, are not very material. That is to say, the supervision of the Secretary of the Interior over the Department is limited to administration matters. No appeal can be taken from the action of the Bureau in regard to granting or refusing patents, or any of that sort of work. Simply only administration matters can be taken to the Secretary of the Interior for consideration. But the business relations between the head of the Department and the Bureau, the business methods, have all been long established,

thoroughly defined, and perhaps as wisely as can be, resulting from long experience.

The dislocation of the Patent Office at this time, it seems to me, would not be wise—the separation of it from the Interior Department, with which it has been associated for more than fifty years—unless it can be shown that in some way it will be helpful to the new department. I do not want to be understood as antagonizing the transfer, but I wish to present simply to the committee the reasons why I think it ought not to be transferred. I think it would be a sufficient reason for not transferring it that there is no reason why it should be transferred. Now, I do not know, Mr. Chairman, whether I can say any more about it. If it is desired to add it to the new department of Commerce to give the new department proportions, it might be transferred; but to take it out of the building where it is—and there is another feature about it.

The Patent Office has always claimed the building as its own, and it has always been known as the Patent Office. Either the Secretary of the Interior, with his force of over 300 clerks now, would have to get out of the building, or the Patent Office would have to get out of the building. It would not be practicable to continue the two departments in one building, I think. It seems to me that the new department, getting what it should necessarily have from other departments, would be a pretty large one to begin with.

Referring to the organization of the Interior Department, I find that two or three years after its organization, or some years after—perhaps three years—the Secretary was required to report specifically what clerical force he needed, grading it, and he reported accordingly to Congress, fixing four grades; one of \$800, one of \$1,200, one of \$1,600, and one of \$2,000; and he asked for the Pension Office 50 clerks, for the Land Office 107 clerks, for the Indian Office 15 clerks, and for the Patent Office 16 clerks; a little less than 200 clerks for the entire clerical force for those bureaus at that time. Now you are taking the Census Office—very properly, I think—from the Interior Department with over 800 clerks. If you took the Patent Office you would add over 700 more clerks, taking very nearly one-half of the entire clerical force in Washington of the Interior Department.

Now, Mr. Chairman, I do not think of anything else.

The CHAIRMAN. Is there any inquiry by any member of the committee?

Mr. CORLISS. I would like to ask one or two questions. Mr. Secretary, the Patent Office is really the foundation for commercial business, is it not?

Mr. RYAN. It is the place where the inventor can make an application for a patent for his invention. To that extent it relates to commercial matters.

Mr. CORLISS. Does it not relate almost exclusively to commercial transactions.

Mr. RYAN. Well, beyond that, no; that is its entire office.

Mr. CORLISS. Do you not think that it would be an advantage to the country if the Patent Office was a little more progressive and attempted to determine whether or not the patent, before the invention was patented and the patent was issued, was a legal one?

Mr. RYAN. But that is what they do determine now. That is the office of the Department, to determine whether an invention is legally entitled to a patent.

Mr. CORLISS. Is it not true that 90 per cent of all patents issued, adjudicated in the courts, are declared invalid?

Mr. RYAN. Oh, well, I don't know, sir. I am not posted on that.

Mr. CORLISS. Do you not think that it would be an advantage to our country and our people in our commerce if the Patent Office was able to adjudicate that question before the Government finally settled the question and issued the patent?

Mr. RYAN. I do not know how they could do it any more than they are doing it.

Mr. CORLISS. Could they not establish, could there not be established, a judicial tribunal to which would be referred all interests, and that tribunal ultimately determine, as our United States courts are now compelled after years of litigation to determine, the validity of a patent, so that when it is issued the people may be protected, and the party patenting it has an absolute right to his invention?

Mr. RYAN. I can not say, sir, if there might not be some improvement. I would not undertake to express an opinion as to that. That the committee can determine just as well as I can. I only desire to present the facts as I understand them to the committee. But as it is organized now, a man, presumably competent, called an examiner, makes a thorough examination of the application for a patent and reaches a conclusion, and an appeal can be taken by anyone who desires to take an appeal to the chief examiner. From the chief examiner an appeal can be taken to the Commissioner. From the Commissioner an appeal can be taken to the courts. It seems to me that the system of adjudication is pretty complete.

Mr. CORLISS. Mr. Secretary, is it not true that the line of appeal to which you have referred is only extended to the inventor? To make myself understood, if I apply for a patent—

Mr. RYAN. But it is rejected.

Mr. CORLISS. And the examiner holds that I am entitled to that invention, a party feeling aggrieved has no remedy—

Mr. RYAN. An outside party?

Mr. CORLISS. Yes, sir; or even in interference.

Mr. RYAN. Well, in interference the interference is adjudicated there.

Mr. CORLISS. But if the examiner holds that I am the original inventor of that patent there is no power to review it. Is not that true?

Mr. RYAN. To review—no power to review it? I do not quite understand you. He makes his application for his patent, and, of course, if it is rejected he has his right of appeal.

Mr. CORLISS. Certainly.

Mr. RYAN. And the appeal may go on, as I have already indicated.

Mr. CORLISS. If he is the inventor.

Mr. RYAN. Yes.

Mr. CORLISS. If the inventor, however, before the examiner, is given the judgment of the examiner that he is entitled to his invention, the Secretary of the Interior, the Commissioner of Patents, or any other officer, has no power to review that. Is that not true, under the present practice?

Mr. RYAN. It may be, sir; but I do not so understand it.

Mr. CORLISS. I am familiar with that practice, having had experience in the Patent Office, and I was talking with the Commissioner in reference to it. I call your attention to it in order to draw out

your opinion as to trouble in that Department, that it seems to me might be remedied.

And I would like to ask you if there have been any changes in the general routine of the practice and regulations of the Patent Office in twenty-five years?

Mr. RYAN. Yes; there have been some changes.

Mr. CORLISS. Can you indicate anything of a radical character?

Mr. RYAN. I don't know—except as to—no, I can not. I could not tell you definitely what changes have been made, but I think nothing very material. But it seems to me that some rules—some new rules—with regard perhaps to administration down there have been approved during the time I have been in the Secretary's Office; but I can not tell you what they are, because I had nothing to do with them.

Mr. CORLISS. If it be true that 90 per cent of the patents issued by our Government, when adjudicated by a court, have been declared invalid, do you not think that some remedy or some change should be inaugurated in that Department?

Mr. RYAN. I do not think it is necessary to transfer it to the Department of Commerce to get a remedy. A remedy might be provided by Congress.

Mr. MANN. It would have to be provided by Congress in any event.

Mr. RYAN. What is that?

Mr. MANN. I say it will have to be provided by Congress in any event.

Mr. RYAN. Certainly.

Mr. CORLISS. Sometimes a new broom sweeps clean. Now, Mr. Secretary, if the point be correct that I made a moment ago, that the validity of a patent is determined by an examiner drawing perhaps \$1,800 a year—not over \$2,400, I believe, a year—and parties are compelled to resort to enormous expense in the courts running over a period of years, in order to right that wrong, do you not think that some radical changes should be made.

Mr. RYAN. If there is any wrong of the character you mention, and there is a remedy, that remedy ought to be provided by Congress.

Mr. ADAMSON. I did not have the pleasure, Mr. Secretary, of hearing your entire statement. As you perhaps know, our purpose in seeking a conference with the representatives of the various Departments was to endeavor to find some concurrence of opinion as to what bureaus ought to be placed in the new department. I understood you to discuss the Patent Office and the Census Bureau and the Land Office, in your Interior Department, and the comparative propriety of removing them.

Mr. RYAN. No, sir; I had no idea of referring to the Patent Office in that connection. I merely mentioned that by way of analogy.

Mr. ADAMSON. I understand you to say that the Patent Office ought not to be transferred to the new department.

Mr. RYAN. I do not think it ought to be transferred unless it would be useful to the new department.

Mr. ADAMSON. We are not seeking a new department for its own good, but for the good of the country and the Government service.

Mr. RYAN. Yes; I understand that; that the new department is organized for a purpose.

Mr. ADAMSON. It is, of course.

Mr. RYAN. And unless the transfer to some other department would promote that purpose, I would not suppose it desirable to remove it?

Mr. ADAMSON. We will try to provide machinery enough so that it can get along. You would not conceive it, I understand you to say, to be for the good of the Government and the service to transfer the Patent Office to the new department?

Mr. RYAN. No; I do not think so.

Mr. ADAMSON. And you would not think it advisable to transfer both the Land Office and the Census Office?

Mr. RYAN. Under no circumstances would I transfer the Land Office.

Mr. ADAMSON. The Census Office is all that you could spare?

Mr. RYAN. That is all. I think it would be appropriate that that should be transferred.

Mr. RICHARDSON. Do not you believe that in looking around for suitable subject-matter for a department of commerce, that the Consular Service of the State Department could be transferred more properly than any parts of the other departments?

Mr. RYAN. I would not like to express an opinion on that.

Mr. RICHARDSON. Just your own idea, that is all.

Mr. RYAN. I would not like to express an opinion.

Mr. RICHARDSON. Would not that be nearer akin to congenial subjects in the Department of Commerce than any other department that you can recall?

Mr. RYAN. The consuls ought to be made very useful to the Department of Commerce. That is what they are for—the promotion of commerce.

Mr. RICHARDSON. Do you believe that a department of commerce ought to have jurisdiction of diplomatic matters because they relate to the consular service?

Mr. RYAN. I would not like to discuss matters belonging to another department.

Mr. WANGER. I understood you to say that you thought it would be objectionable to have two departments in one building?

Mr. RYAN. I think there would be likely to be friction. I think it would be sometimes unpleasant.

Mr. WANGER. Has that been the experience in having the State, War, and Navy departments in one building?

Mr. RYAN. I don't know how it is up there, but I don't know how that was apportioned. Perhaps by law a building might be apportioned so as to avoid friction. Where the offices of the Interior Department and the Department of Commerce both occupied one building, if the law defined what should be occupied by the Interior Department and what should be occupied by the other, there would not be any occasion for friction.

The CHAIRMAN. I think you were a member of the House at the time they had so much trouble there, and you will remember that they used to quarrel like cats and dogs, and there was a joint committee appointed that appropriated the space. I think the State Department—I am not quite sure about it, but that is my recollection—had some 200 square feet for every man and woman in the Department.

Mr. STEWART. Do you think that the object would be attained by putting these various things under the charge of one of the present Cabinet positions without creating a new department?

Mr. RYAN. I think a department of commerce would be most useful, but I think the powers and energies of it ought to be concentrated upon the sole objects of promoting commerce and promoting manu-

factures, promoting consumption, promoting production, and improving transportation.

Mr. STEWART. Could not that be done under the supervision now of one of the present departments, say the Department of State, without creating a new Cabinet department.

Mr. RYAN. Well, sir, the departments, I think, are pretty well loaded now.

Mr. COOMBS. After a patent is issued, it becomes then entirely a matter of commerce?

Mr. RYAN. Yes, sir; entirely.

Mr. COOMBS. Every man's right to exercise his rights under a patent is a matter of commerce?

Mr. RYAN. Yes, sir.

Mr. COOMBS (continuing). And pertains to the larger elements of commerce in the United States?

Mr. RYAN. Yes, sir; and you will find in the Patent Office nothing to tell you whether the patent has gone into use or not, whether it has been productive or not. You will have to get those statistics from other sources.

Mr. RICHARDSON. Would it not be advisable, in establishing a new department of commerce, just simply to start it with nothing but the officers, and let them gather in what proved to be desirable?

Mr. RYAN. I think it would be well to start it with what is most pertinent and material, and then as time discloses something necessarily additional to add it; but I do not think it would be desirable for the public interest to load it with immaterial work.

Mr. RICHARDSON. To take up by the roots the divisions on these different subjects and put them into a new department, and leave them there just as they are would produce great confusion, would it not?

Mr. RYAN. There would be the usual friction in adjustment.

Mr. RICHARDSON. And it would disturb the business of the new department, whereas if you were to establish a department of commerce and let it be just per se, arranged under the officers appointed for it, they would gather in the subjects that were material and proper without any friction or disturbance?

Mr. RYAN. Yes, sir; and there is unquestionably in connection with the discharge of the duties in other departments information that might be imparted to the new Department of Commerce that would be useful to it and at the same time easily be imparted without tearing up the bureaus.

STATEMENT OF HON. DAVID J. HILL, ASSISTANT SECRETARY OF STATE.

The CHAIRMAN. Mr. Hill, in discussing this Senate bill, No. 569, a good deal has been said about the necessity of a new department, if there should be one created, having certain commercial agents abroad, and in that connection has been mentioned the transfer of the consular service as perhaps the proper thing to do in order to give this new department those agencies. If there are objections apparent to you, reasons why that should not be done, the committee would be glad if you would express your views on that subject; or if it may be done, if you would express your views.

Mr. HILL. Would you permit me, Mr. Chairman, at the same time

to advert to the point with regard to the transfer of the Bureau of Foreign Commerce to the proposed new Department of Commerce?

The CHAIRMAN. Yes, sir.

Mr. HILL. If you will permit me to take the matter up in that order, it will be the order in which these subjects are mentioned in the act, and also, as it seems to me, the more logical order. I think I can make the matter clearer by pursuing it in that sequence.

We have in the Department of State a so-called Bureau of Foreign Commerce. The purpose of that Bureau is to extract from the dispatches and reports of our consular agents—using that term in its broadest sense—scattered all over the world and to publish first in a little daily publication, which we call advance sheets, those items which are of interest to the commercial and industrial well-being of the country. These items are extracted from the dispatches and reports of the members of the consular body and published in the first instance in this manner, these advance sheets being sent out every day, and the matter printed on only one side of the paper, so as to furnish copy for the press for immediate use, so that the fact can be obtained and acted upon before it has ceased to be a fact, or before it has lost its value.

Then there is a monthly publication known as the Consular Reports, in which these dispatches and reports are gathered up and published in a more permanent form, a form in which they can be bound and kept and deposited in libraries.

Now, the Bureau of Foreign Commerce exists solely for the purpose of extracting from these dispatches and reports these items of commercial interest.

The CHAIRMAN. Let me interrupt you there, please. How was that bureau established—by act of Congress or by the act of the Secretary?

Mr. HILL. That bureau was established, I understand, by an act of Congress.

Mr. MANN. Was it not simply by an appropriation bill?

Mr. HILL. That is an act of Congress, and a very important one.

Mr. MANN. I understand that very well, but the act did not define the duties.

Mr. HILL. I think the duties are not anywhere defined; but I would prefer to examine that question before answering definitely upon that point.

Now, this bureau evidently is not organically or essentially a constituent part of the Department of State. Its function is commercial. Indeed, it treats matter which is gathered by the consular service, but it treats it only as it relates to commerce and as it has a commercial purpose. Therefore, with the utmost propriety, this bureau might be taken out of the Department of State and might be placed in the proposed department of commerce, and either amalgamated with the Bureau of Statistics, as is provided for by this act, or kept apart there, according to the sense of organization of the head of the department. I fancy there might be some advantages in keeping the Bureau of Foreign Commerce apart from any bureau of domestic commerce or of domestic statistics; but that would be a question to be determined by those who undertook to organize that department. My opinion, then, on this is that this bureau, which has a chief of bureau and six clerks, might with the utmost propriety be taken from the Department of State and put under the control of the department of commerce.

Mr. MANN. Now, will you permit me to ask you a question there?

Mr. HILL. Yes, sir.

Mr. MANN. What would be the *modus operandi*, if the bureau was transferred to the Department of Commerce, of obtaining this information for publication?

Mr. HILL. That is exactly the next point to which I will give attention, and you will perceive that we have begun at the right place in beginning with that bureau. We receive by mail, and occasionally by telegraph, facts and statistics and descriptions of industrial processes and commercial procedure from all parts of the world through our consular service. Now, it should be made plain that while consular officers in general are not diplomatic agents and are not charged with diplomatic functions, there being a decided distinction between the two branches of foreign service—the diplomatic and the consular—at the same time we have some consuls who are charged with diplomatic duties—as, for instance, our diplomatic agent in Egypt (and the post is not without importance) is the consul-general. And there are other instances of that kind.

I mention that in order to make it clear that taking this from the consular service and transferring it to the Department of Commerce would be a division of diplomatic or foreign political functions and relations of our Government. From that point of view I think it would be undesirable. We have good authority for believing that it is difficult for a man to serve two masters, and if our consular officers were on the political side diplomatic and under the direction of the Secretary of State, and on the commercial side under the direction of the Secretary of Commerce, they would often be in a quandary as to which line of instructions to follow, and it is possible that the lines of instruction might sometimes conflict.

A consul of the United States has various functions to perform that are not of a commercial character. In the Orient, where extra-territoriality prevails, the consular officer is a judge, and has jurisdiction over American citizens in criminal and in certain civil matters. I imagine that it would be better, in view of the political interrelations of our Government with foreign countries, that this class of work should be under the direction of the Department of State rather than under the direction of the Department of Commerce. And it is not of a commercial nature. In European countries, from which we by immigration have derived a large population, there are a great many naturalized citizens of the United States returning to the countries of their origin, where they frequently get into difficulty owing to being charged with having evaded their military duty, which they owed to the government of their origin, and they are frequently arrested and sometimes imprisoned, and naturally they appeal to the nearest American consul. When the American consul has taken cognizance of such a case, he can not deal with it locally except in the way of good offices and remonstrances against the arrest and imprisonment of a perfectly innocent man, but he reports it to the diplomatic officer of the country, who is an ambassador or minister, who takes it up with the foreign office.

Now, this matter is in no sense commercial. It is political—diplomatic, if you please—in the highest sense, because we could, by unwise and unintelligent treatment of this class of cases, make ourselves so obnoxious to these governments that we should be in a constant state of irritation and constantly embroil ourselves with them. Therefore

it would not be desirable that the whole consular service should be handed over to the Department of Commerce, because in that case either the consular officers in the discharge of these duties with regard to the nationality of citizens and other kindred matters would have to report to the Department of Commerce, which would be absurd, or without being under the Department of State, and without being under the control and direction of our diplomatic representatives abroad, they would have to report to them, which would be equally unnatural.

Therefore it seems to me that the consular service should remain where it is—under the control of the Secretary of State. It now remains to be seen whether that service could be of as much usefulness for the commercial interests of the country in that relation as if it were transferred to the Department of Commerce.

There are only two ways in which the consular service can be of use in extending the commerce of our country. One way is by gathering the information, by being, if you please, a receptive organ, to ascertain and report facts to the whole Government for the use of the American people in their business and in their industries. That the consular officers have been doing, and have been doing it so well—if you will permit me to take occasion to say it—that we have not only hundreds but absolutely thousands of notes of voluntary commendation, written by manufacturers and merchants and traders in various lines throughout the country, commending our consular service for the good that it has done to them in gathering this information, which we get so quickly before the people through the advance sheets, and so fully and so fairly in the consular reports, the merits of which I dare say every gentleman present fully appreciates. Now, this service can go right on and be rendered just as intelligently and completely and satisfactorily for the purposes of commerce while these consular representatives remain under the Department of State as if they were transferred to the Department of Commerce.

Now, by what method, by what means, would the results gathered by the Department of State be transmitted to the Department of Commerce. If this Bureau of Foreign Commerce, which now has the task of extracting from the dispatches and reports such matters as are of commercial interest, were transposed to the proposed Department of Commerce, I think it would be desirable that some intelligent person of the rank of an ordinary clerk should be designated to read and in a certain sense edit the dispatches and reports of the consular officers, transcribing those parts which are of commercial interest, to be transmitted to the Department of Commerce. And for this reason: Many of these reports and dispatches contain items of political bearing and interest. Sometimes a consul does not appreciate the delicacy of the sensibility of a government of which he speaks in his report, and it is highly desirable that we should avoid giving unnecessary offense to our friends in the family of nations. We have offense enough, generally, of a real and unavoidable kind, and so it is desirable to avoid every kind of unnecessary irritation.

To give you an example of what I mean, I will give you this instance: Not very long ago a consular officer of the United States in a commercial report referred to a practice which he designated as slavery—virtual slavery—being approved by a certain foreign government. In publishing this report no notice was taken of this implication of the approval of a foreign government of virtual slavery, and the ordinary mind would not perhaps be impressed by it; but it crept into the published report, and it was put forth to the world in the advance sheets

and published in many newspapers. Presently the ambassador of the country in question came in, saying that the ministry of his government had been interpellated upon the question whether they had inquired of the Secretary of State of the United States whether or not he intended to punish this consular officer for insulting the dignity of his government by implying that it approved the practice of slavery. And positively, before this little incident was over, of no more importance than a grain of sand in a man's boot, which you know may cause on a long march a great deal of agony, it was quite a diplomatic incident, and the ministry of that government came very nearly being overthrown, because it did not demand that the consular officer of the United States who had cast out that innuendo should be punished by being deprived of his office.

In the meantime we ascertained that the consul's statement was fully authorized by the state of the facts, and therefore we could not dismiss the consul. It is not an easy thing to do anyway, but particularly when he is right, and could not reprove him in any way, because he had done nothing but his duty. But the lesson to be learned from it all is that in publishing these reports a certain knowledge and a certain skill, a certain appreciation of the possibility of difficulties that may grow out of very trifling matters, should be brought to bear upon editing them.

Now, unless there is to be a divided responsibility and an internal friction between two departments of our own Government, it would be better that all the responsibility in matters of this kind should be taken by the political department, to which they belong, namely, the Department of State or the department of foreign affairs, so that a department of commerce would have no thought of trouble or possible complications arising out of these differences. Therefore my thought is that the proper mode of transmitting these results obtained and sent to the Department of State by the consular officers of the United States would be for the Department to designate an intelligent man, who would be well acquainted with his duties, to read these reports and dispatches, and send all matters of fact of a commercial or industrial nature, through transcript copies, to the department of commerce, where they would be digested, and as statistical matter appropriated, and perhaps be published in a daily issue such as our advance sheets, or whatever name it might bear, and ultimately go into the consular reports, and thus serve all the commercial and industrial interests of the United States.

I have said now, Mr. Chairman, all that I have to say, and I will be glad to answer any questions that I am able to answer.

Mr. RICHARDSON. Mr. Hill, instead of having that clerk designated, as you say, to read over these papers and reports carefully and extract from them such facts as ought to go the department of commerce, why not make the consul report those facts directly to this new department of commerce? Then there would not be any friction in that, and there would not be any interference with the policy of diplomacy.

Mr. HILL. Yes; not necessarily any friction. There might be nine hundred and ninety-nine cases without friction, but it might arise, and arise very seriously, in the thousandth case.

Mr. RICHARDSON. I have listened with a great deal of instruction to your statement here, but my idea is that you are delegating to a clerk the authority to extract and find out those facts from the consular reports, when the consul could do it himself very much better

and transmit it directly to the department of commerce and yet not interfere—and I do not think that it should interfere—with the diplomacy of the same department and the political features of it at all.

Mr. HILL. The suggestion, of course, is worthy of consideration. A single man who makes it his business, with proper instruction, to edit certain classes of documents would be much more efficient; his work would be much safer than that of a multitude of men, perhaps, not so instructed, and certainly not so equally instructed. We have not only to consider the great men of our consular service, but every member of it, when studying this question. We have a body of nearly 400 men of exceedingly various intelligence and education, and in making rules it is necessary to make them so as to apply to all cases. I would speak only with deference and appreciation of the able body of men who serve us in the consular service. I think, however, that I should not wish to take the responsibility for all that might grow out of the casual remarks of some of them. I should prefer, I believe, to edit their remarks before they were given to the world.

Mr. ADAMSON. You would not object to allowing the new department of commerce to participate in the editing of those reports and having joint examination of them, would you?

Mr. HILL. I will say this, that everything that is political should be cut out of the reports and dispatches, and all that is commercial or industrial in its bearing, all that could have the slightest bearing, should be transmitted to the department of commerce, and I think that would be the wish with the head of such a department, because then there is no divided responsibility; there is no competition about it. It is a clear thing, under that statement, that the head of the department of commerce could never be held accountable for any complication that might arise by the publication of what would be sent to him by the Department of State.

Mr. ADAMSON. The only danger would be an omission of something of value.

Mr. HILL. That is the point. And then another thing, if you will permit me just a moment. Sometimes consular officers do what they are instructed not to do, and should never do. They make reports upon two different subjects in the same report, in the same dispatch, and when they have been instructed to investigate and report upon something of a political and something of a commercial nature, they will answer both questions in the identically same document. I think it is proper that the political department should take out of that which is of a political and diplomatic nature, and then send what is of a commercial nature to the other department. There would be nothing gained whatever by a joint examination of these reports. That would be simply a complication and division of responsibility. Every good result would be obtained by handing over faithfully—and there would be no reason for any infidelity in the matter—absolutely every fact of commercial or industrial consequence that appeared in these reports?

Mr. ADAMSON. I suppose that the new department would not be jealous or suspicious of you?

Mr. HILL. Oh, no; certainly not.

Mr. ADAMSON. I believe that that is not common to any of you.

Mr. HILL. No, sir.

Mr. STEWART. Does not the State Department now serve the people through these advance sheets and consular reports as fully as the new department could possibly serve them?

Mr. HILL. We are doing the best we can.

Mr. STEWART. Don't you think that you are doing it just as well as you would if you were to send the reports to the new department and they have the distributing of the information?

Mr. HILL. It might not be modest to say so, and I am not disposed to pass any judgment, for it is hardly in my province to do so, as to the wisdom of establishing this new department or how well it would be likely to do this work.

Mr. STEWART. I am trying to get at the idea as to which is the best way to serve the people, whether the way that you are doing it now or through the new department. Would you agree to answer the question whether, in your opinion, it would be wise to establish a new department? Would you care to answer that question?

Mr. HILL. That would be only a matter of personal opinion.

Mr. STEWART. You are a gentleman of very large experience in this Department—

Mr. HILL. Oh, if I am asked to express an opinion, I would certainly not refrain from doing so; but I did not understand that I was expected to do so, in advance.

The CHAIRMAN. You said a little while ago that only a small proportion of the commercial agents or consuls had political duties to perform.

Mr. HILL. Yes, Mr. Chairman.

The CHAIRMAN. About what number would you estimate, of the 400 that you have, are called upon at times to perform political and diplomatic duties?

Mr. HILL. It would be difficult to do that, with even approximate accuracy, without examining the register of our Department, for that is a question that I have never asked myself. But I should say there are perhaps, altogether, 30 or 40 men who are directly or indirectly charged with more or less diplomatic duties.

Take, for example, our consuls-general and vice-consuls in China. Theoretically those officers are not charged with diplomatic duties. They have no quality or standing as diplomatic agents. But in the late unpleasantness with China, when the imperial court absconded from the capital and there was really no one to deal with, very great advantage was found in dealing directly through these consular officers with the great viceroys of the provinces. These provinces number among their inhabitants millions and millions of people and are very important units in the composition of the Empire, and I think that I may say without exaggeration that much was done to save the situation by holding in check the great viceroys and governors of provinces in this late Chinese commotion that we have just passed through by the activity and agency of our consular officers, who appealed directly to them, pointed out the situation, and were in close touch with them during the whole affair.

The CHAIRMAN. Now, if there are but 30 or 40 of these gentlemen who are charged with diplomatic duties, what are the duties of the others? Are they not entirely commercial?

Mr. HILL. Almost entirely commercial.

The CHAIRMAN. If their duties are largely or very largely commercial, why would it not be wise to transfer them, or what would be the difficulty if they were transferred, to the new department?

Mr. HILL. Only the difficulty that all subdivisions make complications. You divide the responsibility—

The CHAIRMAN. Suppose we were to go still further, and then pro-

vide for commercial agents at these thirty or forty points where there are consuls who have diplomatic duties, and then give them solely diplomatic duties, and—

Mr. HILL. There would be an objection to that right away, because there is not enough diplomatic duty to charge them with to maintain the standard of their offices. Their chief business is consular and not diplomatic duty. Their chief duty is consular, and the diplomatic duty is merely incidental. In almost all these cases, even in cases where our agent is designated as diplomatic, as, for instance, in the case of Judge Long at Cairo, Egypt, their duties are mainly consular. That would be simply increasing the expenses of the offices without any object whatever.

The CHAIRMAN. There would not be a sufficient number that would have this divided allegiance and these divided duties?

Mr. HILL. No, sir. And then you might say that every consular officer, however humble he may be, may have to act as such agent of his Government in the case of preserving the rights of a native American citizen or naturalized citizen who is traveling—a very common case throughout the South American States, for instance—where he can not reach a diplomatic agent and he has to appeal to a consular officer, and that officer communicates directly by telegraph to the Department, and receives his instructions, and sometimes has a pretty serious case on his hands.

Mr. DAVIS. Are not all consuls so far regarded as belonging to the diplomatic service that if any one of them, however humble, being in any country, should do or say anything indiscreet, the diplomatic service of the country would be charged with that; and would he not be reported to you, and would not you have to regulate him and recall him?

Mr. HILL. Yes, sir. I suppose we would have to do so.

Mr. DAVIS. Is it not possible that out of that condition might occur confusion, where these consuls report commercial matters to one department and political matters to another department in this country; where, for instance, they might be indiscreet in their reports on commercial matters; might that not embarrass the State Department?

Mr. HILL. It might, very greatly; and my judgment is that it would be far better for the interests of our Government that all these officers should be under the direction of the Department of State. It would certainly be a very great relief from the pressure of business we have in that Department to hand it all over to the commercial branch of the service.

Mr. DAVIS. Could the State Department, Mr. Secretary, afford to ultimately give up control of any of the consuls?

Mr. HILL. You are asking whether it could do, now, not for its own ease or relief, but whether, with advantage to the interests of the Government, and in answer to that I would say that I consider it could not.

Mr. ADAMSON. Considering the propriety and efficiency to the service of the people, it is better that all persons who could go abroad accredited to this Government should go under the authority of the State Department.

Mr. HILL. I think so.

Mr. MANN. That is not the case now. Is the Agricultural Department agent and the Treasury Department agent so accredited?

Mr. HILL. Those Departments have their agents.

Mr. MANN. That is what I say. They go abroad in the interest of the Government?

Mr. HILL. Yes, sir.

Mr. MANN. They do not take the matter diplomatically, do they?

Mr. ADAMSON. They go about like drummers delivering seeds, do they not?

Mr. HILL. They are purely commercial agents, and have no duties except to report facts to their Department, and to do those things which they are told to do, which are not diplomatic at all.

Permit me to say here that I think the position of our consular service is very much better when it is considered as representing the Government the way it does now than it would be if these officers were under the Department of State, but were simply there as commercial agents pure and simple. There would be about them nothing of that atmosphere of governmental importance that they now have. They would simply be business agents. They would stand in the community as such and would be regarded as such.

Mr. MANN. I was going to ask you if it would not be feasible to abolish in a good many places the consular agents of the Government so far as diplomatic reasons exist for maintaining them, and send in their places commercial agents of the Government under a department of commerce.

Mr. HILL. That is, men that would be charged solely with commercial duties?

Mr. MANN. Solely with commercial duties.

Mr. HILL. There might be some instances——

Mr. ADAMSON. Have you mentioned all the bureaus and divisions in the State Department which you think with propriety could be transferred to the new department?

Mr. HILL. I have never yet thought of any other bureau as being possible to be transferred.

Mr. ADAMSON. Is the State Department overloaded? I ask you that in view of the statement of the gentleman who preceded you. Is that true of your Department? Is it loaded down with work, or could you take on more?

Mr. HILL. The information was given to you a while ago that we had abundant space in our Department.

Mr. ADAMSON. Yes.

Mr. HILL. That may have been so at one time. I have no doubt that it was. These traditions never arise without cause. But the encroachments of the Navy Department and the War Department upon our domain have very much limited our space. As every member of Congress knows who calls upon him, the Secretary of State has no anteroom, and all callers are permitted to cool their heels in the corridor while waiting for the next preceding visitor to present his business and come out. The Secretary of State has no retiring room, where he can have a confidential conversation, except the diplomatic room, and the bureau chiefs tell me that their offices are crowded.

So much with regard to the matter of space. With regard to the matter of business, as measured by the archives and bound volumes of correspondence since the Spanish-American war, the volume of business in the Department has increased somewhere in the vicinity of 75 to 80 per cent. Our clerical force has hardly increased at all. It has increased a little. I am not able to give you the percentage without referring to the documents. But in general I may say that the

Department is a very busy one, and while there may be ideal persons in it, as there always will be in any great organism of business, I will say that at the top this pressure is felt, and the Department is very busy, and has too much to do. I mean to say that the work of judgment, of discretion, and direction is a burdensome work because of the character of it and the amount of it there is to do.

Mr. ADAMSON. You would not advise taking on any of the overflow from any of the other Departments, even if we built you a new house and gave you a new department?

Mr. HILL. Not by any means. I think the Department of State finally, by some process—not by violence or revolution, but naturally and by some process of evolution—should become simply and distinctly a department of foreign affairs of the Government, and be named as such, and that only in the diplomatic sense, having nothing to do with commerce.

Mr. MANN. Would not this be a good time to eliminate the commercial features?

Mr. HILL. I am inclined to think that it would.

Mr. MANN. You refer to the Bureau of Foreign Commerce? I would like to ask you a few questions.

The only thing they do now, practically, is to publish the consular reports?

Mr. HILL. Yes; and the preliminary reports, that are called the advance sheets.

Mr. MANN. I do not mean the monthly reports, but all the series of consular reports. Who edits those reports now? Is that done in the Department of State?

Mr. HILL. The Third Assistant Secretary of State is supposed to read over those reports and dispatches and mark out anything that strikes him as improper to go in.

Mr. MANN. It is not done in the Bureau of Foreign Commerce? Is not Mr. Emery the chief?

Mr. HILL. Mr. Emery is the chief.

Mr. MANN. Is he supposed to edit the reports?

Mr. HILL. He is responsible for the editing.

Mr. MANN. Can he publish anything that is turned over to him, or can he strike out anything he wishes?

Mr. HILL. He can strike out anything that he wishes.

Mr. MANN. Therefore he is responsible at this time for the editing of the reports?

Mr. HILL. Practically so.

Mr. MANN. Now, if this was turned over to the new department of commerce, this would require the editing of the reports by the State Department?

Mr. HILL. For the reason that I think that it would be prudent if it was.

Mr. MANN. Would it not delay their publication?

Mr. HILL. Not at all.

Mr. MANN. Why not? It would take longer.

Mr. HILL. These reports have to be transcribed before they are sent to press anyway, because the actual report that is to be preserved in the archives is not put in the hands of the printer. It would come back in such condition that it would hardly be fit to preserve. Those things are taken out of the dispatches and reports that it is intended to print, and then these transcripts are put into the hands of the printer. It takes but a very short time.

Mr. MANN. Now, it is a common practice, as I understand it, for the Department of State, upon request, to request reports, either by letter or by wire, from agents—consular reports—upon particular subjects?

Mr. HILL. Yes; upon almost any subject.

Mr. MANN. Sometimes they are printed and sometimes they are not printed.

Mr. HILL. They are usually printed, if they have value.

Mr. MANN. Yes; but these are furnished to parties asking for them before they are printed, or at least used to be.

Mr. HILL. They may be in some cases, but we feel that there is a point of conscience involved there; that is, that private individuals have no right to come to the Department and ask that inquiries be made, helping them in their business, and they be the exclusive monopolists of this information. Whatever we get for anyone we get for all; but it is the early bird that catches the worm, and the one that comes and asks for this information first gets it first.

Mr. MANN. Of course, and that is a very proper thing.

Mr. HILL. Yes; of course.

Mr. MANN. Now, would it not be delayed if it had to go through your Department and then from the Secretary of State to the secretary of commerce, and then be referred by the secretary of commerce to the chief of the bureau of foreign commerce? My experience is that it takes two or three days to get a document which you send to the Department into the hands of the person who answers you, as a rule, in fact.

Mr. HILL. Our telegraphic dispatches and reports are necessarily brief. The item of expense controls that.

Mr. MANN. Yes.

Mr. HILL. And it is only a matter of a very few minutes to copy a telegraphic dispatch?

Mr. MANN. Yes; but it has to be edited, under your theory, and then would it not be—

Mr. HILL. All telegraphic matter is practically matter which may pass under the eye of the editor, but it is only momentary.

Mr. MANN. What is the practice in your Department when they communicate with another department? Does the Bureau of Foreign Commerce communicate directly with the Bureau of Statistics in the Treasury Department, or is it done through the head of the Department, through the Secretary of State to the Secretary of the Treasury?

Mr. HILL. Our formal communications are made through the heads of the Departments, but the heads of the Departments never see them. They go to the chief clerk, who distributes them, and they are assigned to the officers in charge of that particular portion of the work and they never come before the head of the Department at all.

Mr. MANN. So that you say there would be no delay on that account?

Mr. HILL. Hardly any delay. There might be a few hours' delay, and it might amount to a day, and on a long stretch maybe two days; but that would not amount to much in the long run.

Mr. MANN. In your judgment, can you see any advantage in transferring this Bureau of Foreign Commerce from the State Department to the proposed department of commerce?

Mr. HILL. I see that degree of advantage that would come from a more specific and definitely organized branch of the Government, devoted to the superintendence and promotion of commerce, certainly, for that is not the main business of our Department; in fact, we give

it but little attention. We send to our consular officers such inquiries as are made to us, and we are the medium of getting the replies, and transmit them to the public through the press. That is the end of our function. The department of commerce, if intelligently organized, would take the initiative. It would be aggressive. It would be studying and comparing the statistics that came in to it and ascertaining in what direction to invite the attention of our producers.

Mr. MANN. Would it be possible for the secretary of commerce to send the inquiries directly to the consular agents, asking for information which might be transmitted through the State Department?

Mr. HILL. I think it would be far better not to do so; that is, to transmit a request through the Department of State. And my belief is that whoever, with a large experience of Government business, is placed at the head of this new department will find it highly advantageous not to divide responsibility in some of these matters, but to use the Department of State as the responsible medium for the portion of this business that I have indicated, namely, transmitting the questions and inquiries and also the replies.

Mr. STEWART. Do you not think the great danger lies here: That there will be an immediate agitation for a new department of labor, and it will be transferred to the arena of governmental function, embarrassing States and municipalities, as we have seen illustrated lately?

Mr. HILL. I am not prepared to say that the establishment of this department will not result in the future in the establishment of other departments.

Mr. STEWART. You know, as a matter of public information, that it is being advocated now—that a labor department is being talked of now, if this commerce department be established?

Mr. HILL. I have heard it stated so.

Mr. STEWART. Do you not think that there is so much of a public danger as ought to make us hesitate to establish such a department, or at least postpone, and perhaps indefinitely, the establishment of this department of commerce? Would it not be for the public good, now, if we consolidated these bureaus under one of the heads of departments now existing, even if it should be a little overburdensome?

Mr. HILL. If the American people are to benefit distinctly from the department that is proposed I should think it ought to be established, and then the representatives of the people should have the wisdom to stop right there, and not establish another department that would not be a benefit to the American people.

I am not able to see that a really good thing should fail, if it be a good thing, because some bad thing might be established, using it as a precedent.

Mr. STEWART. That is a matter of your opinion?

Mr. HILL. It is a matter of personal opinion, and I hardly feel entitled to an opinion upon these matters, which I have not studied with the care that many of the gentlemen here present have. I feel that it is better for me to "stick to my last" and talk of those things that I know, rather than to venture upon the general question as to the wisdom of establishing this department, upon which I am not an authority at all. I have indicated my view, however, which is purely personal and is possibly erroneous.

Mr. WANGER. To what extent, in your judgment, might a bureau of foreign commerce, with a chief of a rank somewhat equivalent to

that of the Commissioner of Labor, serve the purposes of our foreign trade, as compared with a department of commerce?

Mr. HILL. That, I suppose, is a way of putting the question whether a well-organized bureau of foreign commerce would not adequately meet all the demands?

Mr. WANGER. That is it. That is the point I wanted to get.

Mr. HILL. That is a question of judgment. I am rather inclined to think that if such a department as is proposed is intelligently organized and vigorously administered it may contribute very much to the advancement of our commerce abroad. It all depends upon the degree of intelligence and vigor with which the work is done. I should assume that a department with a proper head and a proper staff of assistants would accomplish more in that direction than a bureau chief, who would regard himself as a functionary for the performance of certain specified duties and would never dare to take the initiative in any matter. My belief is that much can be accomplished in the expansion of the commerce of the United States by aggressive action and by finding out the opportunities and laying them before those who are ready to avail themselves of them. I may be mistaken in that. Perhaps our best guide in that respect is the experience of other governments. I am not prepared to say at this moment how many governments of the world, of the great commercial nations, have departments of this kind, but I think the tendency has been to establish them, and they have been found useful. But I have no special wisdom on that subject.

Mr. COOMBS. Are they not all in a way connected with the diplomatic service—consular service? Does not the authority emanate from the foreign officers of the different countries?

Mr. HILL. I am not prepared fully to answer that question. There must be points of contact, necessarily.

Mr. MANN. Do you know whether any government has foreign representatives abroad, like consuls, or performing similar duties in any way, which are not under its department of foreign affairs?

Mr. HILL. Only in the sense in which our own Government has in its agents of the Treasury—

Mr. MANN. Yes.

Mr. HILL (continuing). In different parts of the world, looking after the interests of the Treasury.

Mr. COOMBS. They are simply traveling around on their own hook, as it were?

Mr. HILL. Under the direction of their Department, chiefly to prevent frauds upon their Government, but Mr. Ailes will enlighten us upon that.

Mr. COOMBS. They are not accredited to the Government, and they have no exequatur?

Mr. HILL. Yes; I understand not, but Mr. Ailes can speak much more luminously on this subject.

The CHAIRMAN. The hour for adjournment has arrived. The ordinary meeting of the committee will be on Tuesday, and the adjournment will be until then unless some gentleman makes a motion for a meeting at some prior time.

It was moved by Mr. Fletcher, and seconded, that the committee, when it adjourned, should adjourn to meet to-morrow morning, Saturday, December 6, 1902, at 10.30 o'clock a. m.

The motion was carried; and the committee thereupon went into executive session, at the conclusion of which it adjourned until Saturday, December 6, 1902, at 10.30 o'clock a. m.

HOUSE OF REPRESENTATIVES,
Saturday, December 6, 1902.

The committee met at 10.30 o'clock a. m., Hon. William F. Hepburn in the chair.

STATEMENT OF HON. F. I. ALLEN, COMMISSIONER OF PATENTS.

The CHAIRMAN. Mr. Allen, we will listen to any remarks that you have on this subject.

Mr. ALLEN. I am glad to appear before you this morning, before this committee, to speak of this subject of the transfer of the Patent Office to the new department of commerce, which I suppose will be created; and in regard to that matter I simply appear to express the view of my Bureau, and that is to this effect: That just as strongly as I could express it I should be glad to have you believe that we do not want to be transferred. We do not want to go into the department of commerce; we do not want to leave the Department of the Interior. The Patent Office represents in its operations nothing at all of commerce. There is no analogy under heaven which can properly be drawn by any gentleman between the operations of the Patent Office and commerce. That proposition is not to be answered in the negative by the statement that after a patent is granted in accordance with the invention disclosed there some construction may be made afterwards which may enter into commerce because it is put on a railroad train and moved around the country.

The fact is that the United States Patent Office ought to be independent. There is no bureau of the United States Government whose operations are so separate and distinct from everything else and fall so little by analogy within the field of any other bureau or department as the work of the United States Patent Office. It is a separate subject of constitutional provision in the Constitution of the United States, and following that, in 1790, the first patent law was made and the operation of our Patent Office began.

So that not only was the system started in 1790 conducted under the State Department until 1836, but even in 1836, when the whole system received its present form, there was at that time no Department of the Interior, and then the Patent Office started. Now, when the Department of the Interior was started we were attached to it. I understand that the theory upon which it was so attached was that it did not pertain to foreign affairs nor to the Army nor to the Navy, and it did pertain to the field of operations that in England would have been considered to belong to what is called the home secretary—that was the Department of the Interior; the home secretary, secretary of internal affairs. So it was settled, and we have been there since 1849.

In fifty-three years of relations to that bureau, all questions of administration have been carefully worked out. Some of them have been taken to the Supreme Court of the United States; as one, for instance, the question whether the Secretary of the Interior is the superior officer of the Commissioner of Patents, in respect to his judicial decisions; and there it was held that while he is the superior officer in an executive way, as to his executive operations, he is not as to judicial decisions. We have settled all those questions. Our relations are just as pleasant and happy as they can be, and in this respect there is nothing to gain and everything to lose.

But here is a thing which you may consider a matter of sentiment, but it is a matter of such deep sentiment, and with so great a number of people in the United States, that it ought not to be disregarded by you gentlemen in settling the question. That old Patent Office building was built before there was any Department of the Interior built for the Patent Office. We earned \$5,500,000, which have been turned over to the Treasury of the United States, and which stand in the book-keeping, though not preserved as a separate fund, yet as a credit in the operation of that bureau.

Five millions and a half would cover the whole cost of that building there, the old Patent Office building, which to-day is the headquarters of the Department of the Interior, and also occupied by the Patent Office. The people of America know that as the Patent Office building, universally. If they were to move out of that building, we could occupy it all. The memory of the associations of this building with the Patent Office is very dear, and it is very widespread. We do not want to be a little stepchild of some other department in that old building which was built for us, and out of which we will now be forced by being forced into relations with some other department; so that it will no longer be possible to inhabit that building with the departmental headquarters which we now have. We are getting along there very well, and want always to stay in that building. The office will always be more dignified there, and always where it ought to be, and just where generations of Americans look to find it.

The work of our office is not always accurately understood. What is it that we do? We sit there and write a contract between the individual inventor and the people of the United States, acting by its Government. The inventor, on the one hand, makes a disclosure of something which, by our examination, we prove to be new, as far as we distinguish it. Having made that disclosure, we place it in such form as that it may pass, after the period of seventeen years has expired—and the Government makes that a part of the conditions of its grant—into the common property of the public, and the Government grants to him the exclusive right of making and inventing that throughout the United States and Territories for that period. An incorporeal right of property, that is all. There we are done. Those are signed, those are sealed. We have given that man an incorporeal right of property over all of the United States and Territories, and it no more relates to commerce, because you could fill up a freight car with boxes of patents, than it would if you filled them up with contracts of life insurance, or with Bibles, or with deeds to real estate. It would be just as fair, by analogies of the thing, to show that the Land Office, which grants to a man title to realty, is granting him something which enters commerce because, the realty being granted, the foundation right existing, on top of it he may raise agricultural products, put them on freight cars, and carry them around the country in commerce. That is just as close as it would be to take the incorporeal right to make and vend exclusively throughout the United States a certain invention and then say that it belongs to commerce.

We belong, if we belong anywhere, in the Department of Justice. We write that contract, and having written it, the other organs of justice—the circuit courts of the United States—take up that right, administer it, and enforce it. We have no relation to anything else so close as that. They do not want us. We can not expect to go there. We do not want to go into commerce. We ought to be independent.

Mr. STEWART. Do not nine-tenths of the patents improve the instrumentalities of commerce?

Mr. ALLEN. Yes, sir.

Mr. STEWART. Now, have you any machinery in your office, have you any means by which you would make the commerce of this country cognizant of the business of your office and of these new and useful inventions?

Mr. ALLEN. None at all.

Mr. STEWART. If we establish this new bureau of commerce, with these instrumentalities which will make your Bureau and these inventions known to the public, as they do improve and facilitate commerce, nine-tenths of them, why would not that be a great improvement over the present condition of affairs?

Mr. ALLEN. Because at the present time the bureau of statistics of the Census Office has just issued a beautiful tract or pamphlet showing the relations of patents in inventions to manufactures—just such a thing as you refer to, and very proper to come out of the statistical department of the Census Office. They could make not only one, but a dozen tracts of that sort by bringing together the statistical matter arising from our work. But still that is just as distinct as it would be to go and write a bibliography of an art after all the books were written.

Mr. STEWART. You were speaking of the sentiment that gathers around the Patent Office.

Mr. ALLEN. Yes, sir.

Mr. STEWART. These constant inventions are destroying sentiment, are they not—breaking up sentiments that attach to and gather around the old ways of doing things?

Mr. ALLEN. That may be true.

Mr. STEWART. Therefore the Patent Office is not a matter of sentiment, but of onward progress?

Mr. ALLEN. On the contrary, no. New methods are constantly breaking up old methods and replacing them, and you lay aside the old matters without any sentiment at all, but you do continue your sentiment for those things which are in the past.

Mr. STEWART. There was the sentiment gathered around the old stage coach, where you were bumping up against the ceiling and against the sides all the time. All that was changed by patents through the Patent Office.

Mr. ALLEN. Oh, yes.

Mr. STEWART. And you do not mean to say that sentiment should have been allowed to prevent the supplanting of the stage coach?

Mr. ALLEN. No; not at all—

Mr. MANN. You do not believe in having sentiment about inventions, but only about habitations?

Mr. ALLEN. No; I have all sorts of sentiments about the inventions themselves. The old stage coach may have passed away, but still I would have the sentiment connected with it and the memory of the beautiful scenes which passed before my eyes in the days of the old stage coach and the memory of the delight which it afforded me.

Mr. MANN. But you do not stop progress on that account?

Mr. ALLEN. No, sir; of course not.

Mr. MANN. Patents are not granted on the ground of sentiment.

Mr. ALLEN. No, sir; they are granted because it is thought—

Mr. MANN. I do not think the matter of your sentiment about staying in the old building would have any effect here in deciding whether you should be covered into a department of commerce.

Mr. ALLEN. If sentiment has not anything to do with it, then it seems to me that there should be some analogies——

Mr. MANN. Well, that is right.

Mr. ALLEN. Before we are picked up and put into a hotchpotch in a new building with another department, where all these things which have been settled for so long where we are will have to be settled over again.

Mr. MANN. Why do you say that you would have to settle over again those things which are now settled?

Mr. ALLEN. Because we are granted to-day a greater measure of autonomy than any other department of the Government.

Mr. MANN. Why would that be changed in a new department?

Mr. ALLEN. It is a thing that could not be better to-day, and it is only probable that it would be worse.

Mr. MANN. Why do you say that?

Mr. ALLEN. Because the Secretary would have to unlearn all the things that have been learned in fifty-three years.

Mr. MANN. There would always be that difficulty. You could teach the new secretary of commerce, probably.

Mr. ALLEN. It would not be my duty to instruct my superior officer.

Mr. MANN. That is a question of law. Every Secretary who takes a Cabinet position has to learn his limitations.

Mr. ALLEN. It would not be for me to tell him. We do not have to tell them as it is at present, and the assistants who have been in departmental headquarters for years know all these things thoroughly.

Mr. MANN. If you were covered into the new Department of Commerce you would occupy the same position of autonomy with that department as you do under the Secretary of the Interior. How would that affect you, then?

Mr. ALLEN. It would affect us, at least in this way, very inconveniently. It would never be easy—possible, I would say—for us to live and remain in that building with the headquarters of the Interior Department occupying a part and we occupying a part. We would belong to a separate bureau, and would have to go out and go into another building. We would have to move and would have to leave that building.

Mr. MANN. We might get the Secretary of the Interior to move out of the building. He does not belong in there. You could use all the space in the building, could you not?

Mr. ALLEN. We could occupy it and could use it.

Mr. MANN. If the Secretary of the Interior was moved out of the Patent building, that would remove your objection?

Mr. ALLEN. It would be very ungracious for me to suggest that. If we had the ability to use all of the building to-day, we could use all of it, and with the greatest advantage to the service.

Mr. MANN. I have no doubt of that, Mr. Allen.

Mr. ALLEN. It would improve the work.

Mr. MANN. And I think if you were in a Department of Commerce you would get a whole building in two years, while if you remain in the Interior Department you would probably remain cramped for quarters for the next twenty-five years.

Mr. ALLEN. I will say to you, gentlemen, that if we had all that building and could have it entirely for our purposes, so that this chance would be eliminated of an exceedingly disagreeable question of being in the building undivided, really, from a department of which we are no part—if you would eliminate that question, a very

great objection would be taken away, that being conceded in advance to be so disagreeable. We are probably going to be forced to pick up bag and baggage and move out of the old home where we have been since 1836, and if you remove that possibility you take away a great part of the objection. That is the thing that I look upon with greatest concern.

The CHAIRMAN. You spoke just now of your transfer to a department of which you are not a part. In what sense are you a part of the Department of the Interior in which you would not be a part of the Department of Commerce, if you were transferred there? What relation have you necessarily, or has your Bureau, to the Department of the Interior?

Mr. ALLEN. The Secretary of the Interior is my superior executive officer, and the Secretary of Commerce would be my superior executive officer.

The CHAIRMAN. When I speak of you, I speak of your department, your bureau. Why would you not be just as much a part of the department of commerce, if your Bureau should be transferred there, as you are to-day a part of the Department of the Interior?

Mr. ALLEN. I think we would.

The CHAIRMAN. Or as you were once a part of the Department of State?

Mr. ALLEN. We would be.

The CHAIRMAN. So that there is nothing in the Department of the Interior that you have peculiar and necessary relations to? You could discharge your duties and get along just as well if you were attached to any other department.

Mr. ALLEN. Saving the proposition of having to be moved out of that building.

The CHAIRMAN. I am not discussing that branch of it.

Mr. ALLEN. There is nothing else.

Mr. ADAMSON. Then if they should transfer the Department of the Interior from the Patent Office instead of transferring the Patent Office, it will be all right?

Mr. ALLEN. There is this unfortunate complication in that: I notice that when it is a question of some one moving out the superior officer generally manages to get what he wants instead of his subordinate.

The CHAIRMAN. You do not suppose that the Government is going to move that Bureau of yours without properly taking care of it? It would be properly housed, do you not suppose?

Mr. ALLEN. I expect we will be housed somewhere; yes.

The CHAIRMAN. The Government would be quite as solicitous about that as you will be yourself. Don't you think so?

Mr. ALLEN. I hope they will.

Mr. COOMBS. You are just looking for a house?

Mr. MANN. For the other fellow.

Mr. ALLEN. No, sir. I told you of the money that we have earned during all the years of our existence, five and a half million dollars, which has been covered over into the funds in the United States Treasury. They do not exist here as any separate fund upon which we can ever lay our hands and call for them. It is a matter of book-keeping. That balance has just passed from us to them. There was \$163,000 last year.

The building is called to-day the Interior Department building. It could have been built out of the \$5,500,000 which we have earned and

turned over. It did not cost any more than that. It is not specifically credited to us, as though those funds which we have earned and turned over out of our hands had ever been used for any of these purposes. Although it was built for us to occupy, it was built under the direction of the Interior Department and is called the Interior Department officially; although the people of the United States know it as the Patent Office. But my argument in that respect would be met by the statement that officially that is the Interior Department building, and not the Patent Office building, and that to call it the Patent Office building is a matter of sentiment and knowledge on the part of the people, and that really it does not carry the force which I have given it. That would be the answer to it.

Mr. MANN. I guess that you will not be put in the street.

The CHAIRMAN. If you had the whole of that building, with your present clerical force, how much floor space would you have for each individual in the Department?

Mr. ALLEN. I could not answer that. I do not know.

The CHAIRMAN. How much have you now?

Mr. ALLEN. Floor space?

The CHAIRMAN. Yes; for each employee.

Mr. ALLEN. I can not tell you in square feet. If I had known that you were going to ask the question, I could have looked it up.

Mr. MANN. You have a great many things there besides employees that require floor space?

Mr. ALLEN. A great deal. So much so that simply to get room we have moved 80,000 models down into the Union Building.

The CHAIRMAN. What is the necessity for the longer retention of those old models?

Mr. ALLEN. Simply this. In the days when they were used, and because they were used, drawings of patents were left inadequate. The drawing was not sufficiently complete, because they had the model, and having it, they relied upon it. To-day if you destroy that model you are left with only the drawing, which does not give you the information in regard to the patent. So that they will always be necessary.

The CHAIRMAN. They all have relation to patents long ago expired?

Mr. ALLEN. They have; but it becomes necessary to look upon them as anticipating materials in the arts, and to find out exactly what was in those old patents. It often requires some one of the models to find out, because the drawings were not sufficiently explicit.

Mr. ADAMSON. Would it be cheaper now to make drawings and preserve them than to preserve all those old models?

Mr. ALLEN. Of those old models?

Mr. ADAMSON. Yes.

Mr. ALLEN. I doubt if you could make drawings of them which would serve the purpose.

Mr. MANN. You can make drawings, can you not, such as bring out every detail? You could make drawings which would bring out every detail of those old models?

Mr. ALLEN. Yes; but—

Mr. MANN. You could photograph them—every part of them?

Mr. ALLEN. Yes, sir. It is the theory that every part of a model can be illustrated. But we have the models and you do not need the drawings.

Mr. MANN. You do not use the models at all, do you?

Mr. ALLEN. Not since 1880, except where they are called upon by the office on the ground that the thing requires demonstration.

Mr. STEWART. Do you not think that the libraries at great centers, especially at manufacturing centers, in the case of a manufacture, should be furnished with your publication and that the public libraries ought to be furnished with them?

Mr. ALLEN. We furnish a certain number of copies. Every Member of Congress and every Senator has the distribution of 8 copies of the Official Gazette, and they are given to public libraries, which must have at least 8,000 volumes.

Mr. ADAMSON. How much would it cost to make that 80 volumes instead of 8? The number is entirely inadequate, I find.

Mr. WANGER. Not to supply public libraries.

Mr. ALLEN. I do not know.

Mr. STEWART. The Gazette does not contain any drawings.

Mr. ALLEN. It contains one drawing and the claims, and then we publish a library edition, and that contains all the specifications and all the drawings and claims. Those are placed in every district and circuit court of the United States, and are available there, and are bought at the price of \$36 by many public libraries.

Mr. ADAMSON. I do not know whether the other members feel as I do about it, but the eight that are accredited to me are not sufficient to supply my needs. I would like to know something about the cost of them, and why it is that the quota can not be enlarged.

Mr. ALLEN. The allowance to-day is a matter of statute.

Mr. MANN. And for good reason the statute can be changed.

Mr. ALLEN. It would not cost, I presume, more than the paper and presswork and binding to increase the number, for the lithographic work has to be done anyway.

Mr. MANN. A mere nominal expense.

Mr. ALLEN. Gentlemen, I do not think I have anything more to say on this matter. But I am very solicitous that we should be left in the same way where we will be as we are now, occupying that old building which, having been the home of the office for so many years, is very dear to the hearts of a great many people in this country, and where we can do our work better than anywhere else.

STATEMENT OF HON. MILTON E. AILES, ASSISTANT SECRETARY OF THE TREASURY.

The CHAIRMAN. You are familiar with this bill we are considering, are you, Mr. Ailes?

Mr. AILES. I am familiar with that part of it which relates to the transfer of the bureaus from the Treasury Department.

The CHAIRMAN. It is that part of which we desire to have you speak, if you will give the committee your views in regard to the wisdom of such transfers.

Mr. AILES. In the first place, I want to do away with any possible impression that the Treasury Department is disinclined to support the transfer of the bureaus from the Treasury to the proposed new department. I have heard it stated that the Treasury was of a mind to strike out all after the enacting clause of this bill. That perhaps arose from the fact that the bill makes a heavy draft on the Department; no less than nine of its services, and seven of them are of great importance. They have existed in the Department for years, and have found a home there, and are almost embedded in its foundations. Nevertheless the Treasury Department feels, or certainly the Secretary, I know, feels, that if a new department is to be established for

a purpose outside of the jurisdiction of the Treasury it would only be proper that the Treasury should lend from its abundance of bureaus something to form the nucleus of this proposed new department. If the purpose of the bill is to encourage the foreign trade, if it is the purpose of the bill to encourage manufacture, to find out something more about the great corporations or combinations of corporations that are now forming with such rapidity, then it would seem to be something to which the Treasury ought to contribute by transfer of bureaus.

The bill proposes first a transfer of the Life-Saving Service. That Bureau, as well as the other bureaus mentioned, is an aid to commerce. The Treasury Department is in a sense to-day the department of commerce, in that it maintains these various aids to commerce and navigation. But these branches of the Treasury have been matters of evolutionary growth. The Life-Saving Service is an outcropping of the Revenue-Cutter Service. It seems to be inseparably wedded. Just how much strain a divorce would produce is a question that should be very carefully considered. The revenue-cutter captains act as inspectors of life-saving districts. They are local officers in many respects for the Life-Saving Service, and because the Life-Saving Service had its birth in that division it would seem that there might be some administrative difficulties encountered which would have to be overcome before the Life-Saving Service could be transferred, leaving the Revenue-Cutter Service under its present jurisdiction.

The CHAIRMAN. The Revenue-Cutter Service install the various plants at the various stations?

Mr. AILES. They do.

The CHAIRMAN. They are practically the masters and instructors for the surfmen in their duties?

Mr. AILES. They are.

The CHAIRMAN. And they carry supplies to them in many instances?

Mr. AILES. They do carry supplies to the various stations. And whenever a disaster occurs in the service a revenue-cutter captain is sent to inspect it.

Mr. ADAMSON. The Life-Saving Service not only serves commerce, and commerce is only interested where it happens to be a commercial vessel. That is, it makes no difference whether the vessel happens to be engaged in commerce or pleasure or anything else?

Mr. AILES. That is right.

Mr. ADAMSON. Then it is not purely a commercial institution at all?

Mr. AILES. Not wholly, but to a large extent, the general effect is in commerce. The Life-Saving Service would act to save life if a man fell off a wharf, or in anything that happens to fall within the sight of a surfman or a member of the life-saving crew.

The collectors of customs are the local officers who report the local statistics of marine disasters. In that sense they are officers of the Life-Saving Service, and, of course, are left under the jurisdiction of the Treasury Department.

Mr. MANN. Before you leave the Life-Saving Service, do you think that could be transferred from the Treasury to the new department without friction?

Mr. AILES. I do not believe it could unless there was some very important change—

Mr. MANN. You believe that the Life-Saving Service should not be separated from the Revenue-Cutter Service, and you think the Revenue-Cutter Service could not be transferred without much trouble and difficulty?

Mr. AILES. No, sir; because that is an arm of the Treasury Department.

Mr. MANN. Could not the Revenue-Cutter Service be transferred?

Mr. AILES. By giving it a new set of officers the object could be accomplished.

Mr. MANN. Do they not use up all the officers now in the Revenue-Cutter Service? Are they not asking for an increased number of officers in that Service?

Mr. AILES. They are.

Mr. MANN. Now, could they not just as well use the ones that they have?

Mr. AILES. I presume that they could; but you will find this is true in the Treasury, that local officers, whether of the Revenue-Cutter Service or of the customs, are called upon by the Department to do many things besides what is called for by their main duties.

Mr. MANN. Do you mean the Life-Saving Service is?

Mr. AILES. No.

Mr. MANN. Could not the Life-Saving Service be entirely disassociated from the Life-Saving Service and the Revenue-Cutter Service?

Mr. AILES. I think so, if you would add a few officers.

Mr. MANN. But you need all that you have now in the Revenue-Cutter Service, and you are asking for additional officers. Might they not just as well be—

Mr. AILES. They are not always on revenue-cutter duty.

Mr. MANN. I beg your pardon; they are assigned to revenue-cutter duty and stay there. There are certain officers assigned to the Life-Saving Service, and they do nothing else but travel in that service. Is not that true?

Mr. AILES. That is true.

Mr. MANN. And you need them in the Revenue-Cutter Service?

Mr. AILES. Yes; that is true. But I say this for the sake of economy in the Department, that those officers could be used for some other purpose than this work, and it would be for economy in the service.

Mr. MANN. That may be true of the Life-Saving Service.

Mr. ADAMSON. Can you name any great advantage that would accrue from the transfer of the Life-Saving Service unless you should add something more than the Life-Saving Service?

Mr. AILES. No, sir; I can not. The Life-Saving Service is under very efficient management. I do not know of any bureau of the Treasury Department that is any better managed. There is no friction there. It is a magnificent service. It could not be better placed than it is. Eventually I presume that this service, as well as these other services in the Treasury Department of which I am going to speak, could be assigned to the department of commerce, but not all at once. The Department of Commerce, it seems to me, ought to be started very well with the transfers of nine bureaus from the Treasury, and these others would make it at once the largest department in the Government.

The CHAIRMAN. I see in the bill these phrases: "The Light-House Board" and "The Light-House Service."

Mr. AILES. That should all be included under one designation, "The Light-House Establishment."

The CHAIRMAN. The Light-House Establishment?

Mr. AILES. Yes, sir.

The CHAIRMAN. Is that the legal name of that institution?

Mr. AILES. I think that is the legal name.

Mr. MANN. There is a Light-House Board which advertises itself under the name of the Light-House Board?

Mr. AILES. Yes; that is a board composed of officers of the Army and Navy and distinguished civilians.

The CHAIRMAN. Now, if it should be called the Light-House Establishment that includes everything?

Mr. AILES. It is a broad term, that covers the whole service.

The CHAIRMAN. What are the functions of the Steamboat-Inspection Service? What do they do?

Mr. AILES. The Steamboat-Inspection Service has two branches. One relates to the inspection of the steel which goes into the composition of the boilers. They have inspectors of boilers and inspectors of hulls, who look after the construction of vessels, and together these two branches look after the life-saving appliances on ships; for instance, rafts and boats.

The CHAIRMAN. They do this service for the purpose of securing safety?

Mr. AILES. Yes, sir.

The CHAIRMAN. How large an establishment is that?

Mr. AILES. It is not a very large establishment. I think there are ten or a dozen districts, known as steamboat-inspection districts, each presided over by a supervising inspector of steam vessels, who has local officers under his command.

Mr. MANN. They also examine the engineers?

Mr. AILES. Yes, sir; the engineers, and receive applications for pilots.

The CHAIRMAN. What would be the objection to the transfer of that bureau?

Mr. AILES. That bureau is in a sense related to the customs, because the collectors of customs have jurisdiction over steamboat-inspection matters. They are joint policemen, I believe General Dumont terms it. General Dumont is the Supervising Inspector-General of Steam Vessels. There are fines, penalties, and forfeitures arising under the steamboat-inspection laws, and in some instances the inspectors of steam vessels are subordinate to the collectors of customs.

The CHAIRMAN. Could their duties be performed just as well if they reported to the secretary of commerce?

Mr. AILES. I think they could, by eliminating the collectors of customs.

Mr. MANN. Take a case where they want to inspect a steamboat, and determine how many passengers can go upon it, and all that; who does that?

Mr. AILES. A certificate of that kind is granted by the Steamboat Inspection Service, under the local officer.

Mr. MANN. And under the collector of customs?

Mr. AILES. I think the collector is also required to sign that certificate?

Mr. MANN. Would it not create a good deal of confusion to make that transfer?

Mr. AILES. The law would have to be amended. There is a general provision in this bill before you which seems to transfer the powers that are now given to the Secretary of the Treasury to some of his local officers. In other words, without specifically naming the officers under the new department, the powers seem to be transferred. It is not very clear. Perhaps it ought to be done specifically rather than by implication.

Mr. MANN. As it stands to-day, the control of marine navigation is practically under the Treasury Department?

Mr. AILES. It is.

Mr. MANN. The collector of customs is the representative of that Department in each collection district?

Mr. AILES. He is chief officer of a board, and in a certain sense all the other Treasury officers are subordinate to him.

Mr. MANN. So far as the vessels are concerned?

Mr. AILES. Yes, sir.

Mr. MANN. All reports are made to the collector of the entering and clearing of vessels, and everything of that sort?

Mr. AILES. They are.

Mr. MANN. Would it not produce confusion if you had another officer, his authority not emanating from the collector of customs— not under the control of the collector of customs?

Mr. AILES. I think there would be danger of confusion.

The CHAIRMAN. What would you say about the Marine-Hospital Service? It is transferred to the new department. What inconvenience would result from that?

Mr. MANN. I beg the chairman's pardon. It should be called "The United States Public Health Service."

The CHAIRMAN. Yes.

Mr. AILES. The Department is opposed to the transfer of the Marine-Hospital and Public Health Service, because of the possibility of the conflict of authority. Recently a vessel came into the harbor of San Francisco, and the quarantine officer wanted to do one thing with it and the custom officer wanted to do another, and that thing was settled by the Secretary of the Treasury, who had jurisdiction. But if we have the quarantine officers subject to the department of commerce and the collector of customs subject to the Secretary of the Treasury it might be a little more difficult to get together on such a thing.

Mr. RICHARDSON. What relation has the Marine-Hospital and Public Health Service to commerce? It is more in the nature of a medical department, is it not?

Mr. AILES. It may be so on land, but at sea it is related to the ships.

Mr. COOMBS. It seems to me the collection of customs has everything to do with it, so that the offices would really run together. When was that San Francisco case?

Mr. AILES. That was last month.

Mr. MANN. Is it not a fact that the Marine-Hospital Service inspect all vessels there?

Mr. AILES. Yes, sir.

Mr. MANN. And they do that to guard against disease?

Mr. AILES. Yes, sir.

Mr. MANN. They are looking out now for the plague?

Mr. AILES. Yes, sir.

Mr. MANN. They are very much worked up over it, too?

Mr. AILES. Yes, sir; they are.

Mr. MANN. Have you got the plague there?

Mr. AILES. Some people say so, but San Francisco does not believe it.

The CHAIRMAN. What are the functions of the Bureau of Navigation?

Mr. AILES. The Bureau of Navigation has to do with the merchant marine, both as it relates to the ships themselves and the men who

man them. Through the shipping commissioners it controls the contracts with seamen—the crews of ships.

From the nature of this business, I do not see how it could be possible to transfer this service to the Department of Commerce.

Mr. MANN. What relation has the Bureau of Commerce to the revenue?

Mr. AILES. Nothing, except the collection of tonnage taxes.

The CHAIRMAN. It collects the tonnage taxes?

Mr. AILES. Yes, sir; about \$900,000 a year.

The CHAIRMAN. And they collect them through the authority or under the authority direct of the collector of the port?

Mr. AILES. Through the collector of the port.

The CHAIRMAN. And in that alone they are intimately connected with the collector of the port?

Mr. AILES. They are very intimately connected with him.

The CHAIRMAN. What relation have they at times, in the performance of their duties, with the Revenue-Cutter Service? To what extent is the Revenue-Cutter Service involved in that?

Mr. AILES. The revenue-cutter officers are boarding officers. They are used as agents of the Department—Department policemen, in fact, on the waters. They apprehend ships and hold them up and do that both for the customs revenue and in the collection of these tonnage taxes.

Mr. MANN. Then, to a certain extent they are at times under the direction of the Bureau of Navigation?

Mr. AILES. Under the direction of the Secretary of the Treasury.

Mr. MANN. Of the Secretary of the Treasury; yes.

Mr. AILES. Yes, sir.

Mr. MANN. And at the suggestion of the officers of the Bureau of Navigation?

Mr. AILES. Yes, sir.

The CHAIRMAN. The United States shipping commissioners. Please explain to the committee their office, their relation to commerce.

Mr. AILES. The United States shipping commissioners are officers of the Treasury Department located at the principal ports, engaged in supervising the affairs of seamen. All seamen who enlist as members of crews of vessels are required to enter into a contract with a proper officer or owner of a vessel before the United States shipping commissioner. He looks after them to see that no unfair advantage is taken of them. The Government even prescribes the ration that the seamen shall have and the clothing that shall be furnished to them to wear, and generally looks after their welfare.

The CHAIRMAN. He makes the inspection of the ship's chest, does he?

Mr. AILES. I think he does.

The CHAIRMAN. Who does he report through?

Mr. AILES. He reports directly to the Bureau of Navigation, and through the Bureau of Navigation to the Secretary of the Treasury.

The CHAIRMAN. Suppose he needs an aid or an agency. Does he appeal to the revenue-cutter officers?

Mr. AILES. I do not know that he does, Mr. Chairman. The Commissioner of Navigation has a sort of appellate jurisdiction over these contracts. The question arises as to the nature of the contract, and the shipping commissioner reports to the Commissioner of Navigation.

Mr. COOMBS. What authority has the shipping commissioner?

Mr. AILES. You mean as to the enforcement of the contract?

Mr. COOMBS. Yes; what can he enforce?

Mr. AILES. I do not think he has any authority himself. He can go into the court if necessary.

Mr. COOMBS. Through the United States attorney, I suppose?

Mr. AILES. Yes; if it requires suit he could. In the first place, a vessel can not get out of port until it is granted clearance, and if there has been anything wrong done that would be reported to the Department, and the collector of customs would be instructed to deny clearance, which would be a severe penalty, and the shipping commissioner might report directly to the collector of customs that there was something wrong, and he would deny clearance and report the case to the Department for action.

Mr. STEWART. As far as your Department is concerned, do you see the slightest need for a department of commerce?

Mr. AILES. I can say this, in general, that the Treasury Department is pretty well burdened. It has twenty-four or twenty-five separate and independent services having interrelations to each other.

Mr. ADAMSON. You have not offered us much in your statement.

Mr. AILES. The Treasury Department is willing to give the new department certain of these bureaus.

Mr. MANN. You are not looking for additional departments yourself?

Mr. AILES. No, sir. Now, if you will pardon me, Mr. Chairman, there is another bureau that is proposed to be transferred of which I still want to speak. That is the Bureau of Statistics. It would seem to have more relation to the department of commerce than anything else. I do not know that we want to oppose that.

Mr. STEWART. Do you want to answer my question categorically, whether you believe, so far as your Department is concerned, there is any necessity for a department of commerce?

Mr. MANN. Oh; he ought not to be called upon to answer that.

Mr. STEWART. I am not asking you, Mr. Mann; I am asking him.

Mr. MANN. I know, but we ought to protect Mr. Ailes a little.

Mr. STEWART. I am not insisting upon an answer. He does not have to answer.

Mr. AILES. We have some bureaus——

The CHAIRMAN. Before you leave the subject of the Bureau of Statistics, I wish you would give us some information as to that. Where does that Bureau derive its facts?

Mr. AILES. From the collectors of customs.

The CHAIRMAN. Solely?

Mr. AILES. As to foreign trade, solely from the collector. It has a small appropriation now for the collection of statistics (internal statistics), and it has hired some experts on the statistics of the Great Lakes.

Mr. MANN. It gets its statistics as to the Great Lakes through the collector of customs.

Mr. AILES. It has sent an expert into the field.

Mr. MANN. Yes. An expert to work up a better system than they had before, and better figures; before they got their statistics through the collector of customs, directly.

Mr. AILES. Yes, sir, in respect to navigation; but in respect to the amount of grain and other articles of commerce carried by rail they have had to send an agent into the field.

Mr. MANN. Yes.

The CHAIRMAN. What connection has the collector of customs of Chicago, we will say, with the lake navigation and transportation; has he any?

Mr. AILES. All vessels entering the port of Chicago are subject to his jurisdiction.

The CHAIRMAN. Are they in cases where they sail for an American port?

Mr. MANN. I may say, Mr. Chairman, that they require them all to enter and clear, irrespective of what port they sail for, and they keep a memorandum of everything they carry and bring in.

The CHAIRMAN. Do they have to find out, themselves?

Mr. MANN. Yes, sir; contrary to the Constitution, as it seems to me. But the carriers make no objection to it because it is a great advantage to everybody to have those statistics, and they fill out blanks which were originally provided for by the Chicago Board of Trade, but are now provided through the Bureau of Statistics, and the collector of customs.

The CHAIRMAN. You were about to speak of something else, Mr. Ailes?

Mr. AILES. Yes, sir. Mr. Chairman, the bureaus I have gone over are bureaus whose affairs, as you will see, are interwoven, and we think they could not be transferred without getting into very considerable administrative difficulty. There would be embarrassment; embarrassment in case a collector of customs should practically be subordinate to the Secretary of the Treasury and also to the secretary of commerce. And we have some bureaus, as for instance the Light-House Establishment. I hope you do not understand that I oppose the transfer of that. The Light-House Board held one of its meetings last Monday and passed a resolution that if other services with which its affairs were connected were to be transferred to the new department of commerce, they saw no reason why it should not be transferred. The Light-House Board is merely attached to the office of the Secretary of the Treasury. The Secretary of the Treasury is ex officio chairman of the board.

Mr. ADAMSON. What are these coordinate establishments that they desire to go with?

Mr. AILES. The Coast and Geodetic Survey, which is not mentioned in this bill, which has to do with the marking of dangerous places on the coast and with the system of buoyage. The Light-House Board and the Survey are in consultation all the time, and their services overlap, and there does not seem to be any reason why they should not be together under the same department.

Mr. MANN. May I ask you how the Coast and Geodetic Survey look on that proposition?

Mr. AILES. They look upon it with favor.

Mr. MANN. Because we have had an example of how active they can be in Congress, in reference to the deep-sea survey.

Mr. AILES. They think if the Treasury is to remain a department of commerce, as it is in a sense to-day, they should remain with that. The Coast Survey has twice been transferred to the Navy Department and twice returned to the Treasury at the instance of the Secretary of the Navy. If there is to be a department of commerce established they think that they ought to go to the department of commerce.

The CHAIRMAN. I believe that you have not discussed at all the Bureau of Immigration.

Mr. AILES. No, sir. There is some question about the transfer of this Bureau. There seem to be some reasons for the transfer and some against it. I have talked with Commissioner-General Sargent about it, and on the whole he is inclined to think that the interests of his Bureau would be better subserved in the new department of commerce, although he is perfectly satisfied with his relationship in the Treasury Department. He thinks that the interests of labor are more nearly involved in the Bureau of Immigration than in any other department of the Government. In the reception and distribution of the class of aliens coming to this country he believes that the Bureau has a great duty to perform, and that they can perform that as well under a department of commerce. He wants a divorce from the collector of customs. Of course where there are no local immigration officers, that duty falls to the collector of customs. In some places his duty is subordinate to the collector of customs; for instance, in the matter of Chinese exclusion, there is an appeal from the local immigration authorities to the collector of customs and from the collector to the Secretary of the Treasury.

Mr. MANN. Is that the reason he seeks to get out from under the control—

Mr. AILES. In any event, he wants to be divorced from the collector of customs if he should remain in the Treasury Department. He thinks the immigration work is becoming of such importance that he ought to have local officers of his own who have nothing else to do.

The CHAIRMAN. Has he not local officers of his own to do everything that he can do, and does he come in contact with any other officer, except it be a superior officer?

Mr. AILES. Not except it be a collector of customs.

The CHAIRMAN. Well; and his superior officer having the right of review?

Mr. AILES. Yes; but the jurisdiction of the collector is only to the extent of his main duties. And he thinks, too, that the collector of customs who desires to see the commerce of his port grow—the shipping of the port grow—is more inclined to pass favorably upon immigration cases than an officer would be whose sole duty it was to keep an undesirable class of aliens out.

Mr. MANN. If the Bureau of Immigration was transferred to the department of commerce, is it not a fact that the collector of customs would still have to pass upon the Chinese cases, just as he does now?

Mr. AILES. He would, undoubtedly.

Mr. MANN. And does it not interfere with that authority or duty at all?

Mr. AILES. No; but in another place in this bill you propose to transfer the Chinese-exclusion business—

Mr. MANN. Let me ask you about that. Suppose he is transferred? Is not the police power which is invoked in the administration of the exclusion law connected with the Treasury Department—or rather with the collector of customs—is not that police power entirely under him now?

Mr. AILES. It is.

Mr. MANN. Then where would be the police power to enforce the exclusion act, if the Immigration Bureau was transferred to the department of commerce?

Mr. AILES. You mean the local police power?

Mr. MANN. Yes, sir.

Mr. AILES. It would fall under the local commissioner of immigration at the port. The bill says:

That the jurisdiction, supervision, and control now possessed and exercised by the Department of the Treasury over Chinese immigration * * * be, and the same hereby is, transferred to and vested in the department of commerce.

The subject is specifically transferred.

Mr. MANN. Yes; but there are men connected with the Treasury Department, connected with the collector of customs, who have the entire say as to what they shall do. You do not transfer those men.

Mr. AILES. No. You would have to say that the jurisdiction now held by the collector of customs is transferred.

Mr. MANN. Then if you do that, what authority would the Treasury Department have over these same inspectors with reference to the other duties which they have to discharge now?

Mr. AILES. None.

Mr. MANN. Would a conflict of power arise there?

Mr. AILES. If you would maintain——

Mr. MANN. If you transfer the police power you are going to get into a mix up?

Mr. AILES. Yes, sir.

Mr. ADAMSON. Do you not think the Bureau of Immigration ought to have entire control of the subject of immigration, whether it goes to the new department or stays?

Mr. AILES. It does now. By the recent act the Chinese-exclusion business goes to the Bureau of Immigration.

Mr. ADAMSON. Ought not the Bureau of Immigration to be in the department of commerce as properly as the Census Office?

Mr. AILES. I think so. Although the affairs of the Immigration Bureau are well managed, and never better managed than at the present time.

The CHAIRMAN. Mr. Ailes, have you ever given any attention to the thought of how much it costs for the United States to exclude one of these paupers who are immigrants to the United States, or to get them out of the country?

Mr. AILES. Not precisely. I know that it costs a good deal.

The CHAIRMAN. About how much per capita does it cost?

Mr. AILES. I think some figures show \$1,100 or \$1,200 in some cases.

Mr. MANN. It might be better to give them half of it, and then they could come in.

Mr. WANGER. Still that may prevent a great many others from coming.

The CHAIRMAN. That is true.

Mr. COOMBS. Does much of that go to the common carrier?

Mr. AILES. They are taken before the United States commissioners, and there is an expensive trial, and transportation has to be paid for, and transportation back to China.

Mr. COOMBS. The transportation companies get the greatest part of that \$1,200?

Mr. AILES. I expect they do. They come so far East. They come to the New England border seeking admission.

There may be still another bureau, Mr. Chairman, that is not mentioned in the bill. That is a new bureau of standards, which is designed to be to the Treasury Department what the —— bureau is to the Agricultural Department. I do not see any reason why that should not be transferred to the new department of commerce.

Mr. STEWART. What is the duty of that department?

Mr. AILES. It is engaged in the standardizing of the instruments of measurement. Heretofore we have had to go abroad, mainly to Germany, to get standards of measurement, standards of heat and electrical measurement, and almost all the standards used in manufacturing.

Now, these four bureaus which I have mentioned——

The CHAIRMAN. You have only three, I think.

Mr. AILES. No; the Coast and Geodetic Survey, the Light-House Establishment, the Bureau of Standards, and the Bureau of Immigration.

The CHAIRMAN. Oh, yes.

Mr. AILES. These four bureaus offer no objection to the proposed transfer, and it is believed by the Treasury that they could be taken out of the Department with the least disruption to its service. It would feel their loss less, not because it does not want them at all, but because their affairs are not so intimately interwoven. As to the others, possibly in course of time, considering that they are aids to commerce, undoubtedly I think if there were a general provision in the bill authorizing the President to transfer from the Treasury to this department the Life-Saving Service and the Steamboat-Inspection Service and the Marine-Hospital and Public Health Service——

Mr. ADAMSON. Do you not think that it would be much wiser and offer less violence to the existing conditions, in forming this new department, if we placed in it only such bureaus and divisions as there is no objection to, and leave to future experience the filling up of the new department?

Mr. AILES. I think so. It is undoubtedly better to establish it in a modest way, and it would incur less opposition. There is always a great deal of departmental inertia in such things and disinclination to sever old relationships, even though it may be acknowledged that it is necessary.

Mr. MANN. Do you think the time would ever come when any department of the Government would voluntarily transfer any bureau from itself to another department?

Mr. AILES. No, sir. I think they will always hold on to what they have.

Mr. MANN. Then, if it ought to be done at all, it ought to be done now?

Mr. AILES. Yes.

Mr. ADAMSON. Suppose all the heads of the departments sitting around a table considering and trying to decide what should be transferred from each of them to the others.

Mr. MANN. That is what we have tried to get them to do, and we could not even get them to meet and confer together. I doubt the constitutionality of it. I do not think it would change the fact if the authority were given to transfer these bureaus, naming them.

The CHAIRMAN. Your Bureau of Statistics is the only Bureau that everybody who has been asked about the new department has been stating ought to be transferred to it.

Mr. AILES. Very well; that could be done.

Mr. MANN. It is a purely commercial institution?

Mr. AILES. Yes, sir.

Mr. MANN. Purely?

Mr. AILES. Yes, sir. Of course you must give the secretary of commerce local officers at the different ports. You can not do that with the meager appropriation of \$50,000.

Mr. MANN. Mr. Hill, from the State Department, stated here yesterday that it was quite feasible for the State Department to receive reports from the foreign representatives of this Government and transmit them to the department of commerce and have them published as speedily as it is now done, and without friction. Would not the same thing be possible in the Treasury Department?

Mr. AILES. Yes, sir; and I do not say it would not be a good thing for the new department of commerce to establish a new bureau of statistics within itself.

Mr. MANN. It would not have to duplicate the Bureau of Statistics in the Treasury?

Mr. AILES. Yes; but take the best they could find in the Treasury.

Mr. MANN. What would be left for the Bureau of Statistics in the Treasury if the new department of commerce published its statistics?

Mr. AILES. I don't believe there would be anything.

Mr. MANN. They are of no advantage so far as the Treasury is concerned?

Mr. AILES. There is the one question of administration.

Mr. MANN. I understand. I am trying to get information which will show whether it can be done. Everybody will concede the advisability, except for the administration features?

Mr. AILES. Yes, sir.

Mr. MANN. Would it be possible to so arrange that the Treasury would direct the collectors to report statistics either directly to the Secretary, to be transmitted to the secretary of commerce, or directly to the secretary of commerce?

Mr. AILES. I think it would. But common experience, I think, shows that there would be delays under such an arrangement as that. The Bureau of Immigration now corresponds directly with the collector. I see by Mr. Austin's statement before this committee last year that there are from one to twenty letters a day asking them to expedite their work.

Mr. MANN. Would it be possible for the Secretary to make an arrangement directing the collectors to report directly to the department of commerce?

Mr. AILES. I think so. I do not see any great difficulty there.

Mr. MANN. Do you think that any special friction would arise from that?

Mr. AILES. I would not like to predict just how much friction there might or might not be. It does not look like good administration to me.

Mr. MANN. Everybody will admit that there are difficulties about the administration features, but everybody will say that in the working up of statistics and in the interest of commerce, it ought to be in the bureau of commerce if anywhere. Now, Mr. Austin is a very efficient chief, and he publishes many expert papers written by expert men which have only to do with commerce, and have nothing to do with the ordinary work of the Treasury Department.

Mr. AILES. Yes, sir.

Mr. ADAMSON. Why could you not furnish it to the new department as speedily as you could handle it yourselves?

Mr. AILES. There would be one more step.

Mr. ADAMSON. Yes; however I don't see why it could not be done just as quickly. Are those reports sent at this time to the Secretary of the Treasury or direct to the Bureau of Statistics?

Mr. AILES. They are sent direct to the Bureau of Statistics.

Mr. RICHARDSON. You say that there are four bureaus that can be properly transferred to the new department of commerce?

Mr. AILES. Yes.

Mr. RICHARDSON. Have you reached that conclusion, and is that conclusion based upon the idea of merely making a concession to the new department of commerce, or do you believe that it would be to the advantage of the public to have those three or four bureaus transferred to the new department?

Mr. AILES. I do not see the least objection to the transfer of those bureaus, and as I say, the Treasury is willing to lend from the abundance of its bureaus to form the nucleus of this department, if it should be desired to do so, to benefit the foreign trade or to advance the great objects of the bill.

Mr. ADAMSON. You are not anxious to lose them, but you are willing to give them up?

Mr. AILES. Yes, sir.

Mr. ADAMSON. Do you think that the four bureaus you mention would develop in connection with a department of commerce?

Mr. AILES. I believe they would. This is only a general statement, but I believe that all these bureaus related to commerce would in the end in some measure better their service, because of the concentration of one department on one particular subject. I do not believe that would follow immediately.

Mr. RICHARDSON. You believe in course of time these four bureaus which you have suggested could with propriety be transferred to the Department of Commerce, would develop in importance and usefulness?

Mr. AILES. Yes, sir; I do. The bureaus offered are the ones which the Department has considered as being proper to be transferred. As to the others there is opposition.

The CHAIRMAN. Mr. Ailes, you have said nothing, I believe, about the transfer of the fur seal, salmon, and other fisheries in Alaska.

Mr. AILES. Those would seem to be purely commercial things. The seal industry and the salmon industry, as conducted now, are conducted not so much for the purpose of revenue as for the preservation of the industries.

The CHAIRMAN. How do you care for those industries now; through what agents?

Mr. AILES. Through the revenue cutters. They are the policemen of the Alaskan waters. They carry salmon agents about; and, as a matter of administration, it would be bad to transfer those services to the new department.

The CHAIRMAN. How do you reach the islands of St. George and St. Paul, where the rookeries are?

Mr. AILES. Our officers are carried in the revenue cutters.

The CHAIRMAN. Is there any other way of reaching those islands by the Government?

Mr. AILES. I do not think there is, sir. Recently we have been establishing lights; the Light-House Service has been dealing with those waters extensively, and of course they have light-house ships; but in the past the revenue cutter has been the only means of reaching the islands and transporting officers from point to point looking after the salmon industry.

The CHAIRMAN. What method of inspection of the salmon industry have you, aside from the Revenue-Cutter Service?

Mr. AILES. We have an agent of the salmon industry, an officer of the Department, who is located in the season in Alaska.

The CHAIRMAN. How does he travel when he does travel?

Mr. AILES. By the revenue cutter, and the revenue cutter acts under the order of the Secretary of the Treasury to transport him from point to point, as he sees fit.

The CHAIRMAN. He is a migratory officer, is he?

Mr. AILES. He is; yes, sir; looking after migratory fish.

The CHAIRMAN. The hour for our adjournment has almost arrived. The committee will be in executive session for a little while.

Mr. MANN. I move that when the committee adjourns to-day it shall adjourn to meet on Monday next, December 8.

(The motion of Mr. Mann was seconded and carried.)

Thereupon the committee went into executive session, at the conclusion of which it adjourned until Monday, December 8, 1902, at 10.30 o'clock a. m.

HOUSE OF REPRESENTATIVES,
Monday, December 8, 1902.

The committee met at 10.30 o'clock a. m., Hon. William P. Hepburn. in the chair.

STATEMENT OF MR. JOHN HYDE, STATISTICIAN OF THE DEPARTMENT OF AGRICULTURE.

The CHAIRMAN. What is your official position, Mr. Hyde?

Mr. HYDE. Statistician of the Department of Agriculture.

The CHAIRMAN. How long have you been connected with that Department?

Mr. HYDE. I have been connected with that Department nearly eight years.

The CHAIRMAN. Have you a familiarity with the proposed legislation creating the Department of Commerce?

Mr. HYDE. Some general familiarity. I have watched the progress of the bill through its various stages with more or less interest.

The CHAIRMAN. What divisions or bureaus are there connected with the Agricultural Department which could with advantage be transferred to this new department, in your judgment, if any?

Mr. HYDE. I do not believe there are any, Mr. Chairman, and that is the opinion of the Secretary of Agriculture.

The CHAIRMAN. Why should not the divisions and bureaus that are suggested as a proper part of the Department of Commerce be transferred to that department?

Mr. HYDE. With regard to the Division of Statistics?

The CHAIRMAN. Yes.

Mr. HYDE. The Division of Statistics of the Department of Agriculture, whatever it may be in statute books and appropriation bills, whatever it may be nominally, is really, practically, a great aggregation or organization of farmers for their mutual protection, to do for them that which they can not do for themselves by any association—State grangers, national grangers, or any other organization—that is intended to protect them against the speculator.

Of the 240,000 correspondents, crop reporters, which the Department has, fully 210,000 are farmers, and they regard the statistical work of the Department as being their own work, or in their own interest. They are so jealous of everything commercial, of every

commercial organization, that I believe if the Division of Statistics were transferred to the department of commerce the entire organization would melt away. A new organization entirely would have to be substituted for it.

The CHAIRMAN. How many of these correspondents do you say there are?

Mr. HYDE. 240,000 about—altogether.

The CHAIRMAN. Do you derive your information as to quantities and amounts from them?

Mr. HYDE. Mainly from them. We have a few traveling agents, whose work is used as a check upon the correspondents, simply because the correspondents, farmers themselves, are naturally biased to report a little lower than the actual conditions would warrant.

The CHAIRMAN. Where do you get your information, say, for instance, with relation to cotton?

Mr. HYDE. Information with relation to cotton is gathered from about 50,000 planters, 40,000 ginnerers, and certain special agents located at important cotton markets, and special agents who are sent from Washington.

The CHAIRMAN. When you get information from those parties at the same locality, or near the same localities, in which there is a divergence of opinion, what do you do; how do you arrive at your conclusion?

Mr. HYDE. I arrived at my conclusion by ascertaining how near, during the few preceding years, each class of correspondents came to what was ultimately found to be the fact. When the cotton was all moved, all marketed, and the different transportation lines in a State have all reported to us, as they do without exception, and the different mills in that State have reported the amount of cotton consumed, then we know exactly what amount of cotton was raised and where it was raised, and it is not difficult to ascertain what percentage of error was found in the work of each class of correspondents, and that is made the rule for my guidance the following year.

The CHAIRMAN. Does a correspondent, for instance a mill correspondent, giving you the quantity of cotton used at his mill give you the locality from which it is derived?

Mr. HYDE. He does not give us the locality from which it is derived in every case. It is mainly local cotton. But all the transportation lines, both by land and by water, give us both the point of origin and the point of destination of all the cotton they market.

The CHAIRMAN. That would be the case with first shipments, but with reshipments, would they do that; for instance, shipments from Memphis? I can see how a transportation company giving to you the quantity of cotton shipped to Memphis could give you the point of origin, but when it is shipped to New Orleans, then do you get from your correspondent the origin of the cotton?

Mr. HYDE. Of course some special work has to be done to avoid duplication—counting the cotton twice. That is done mainly by correspondence.

The CHAIRMAN. Some cotton is shipped directly from the point of origin to the point of consumption, or to export, is it not?

Mr. HYDE. Yes, sir.

The CHAIRMAN. And some is sent to an intermediate market?

Mr. HYDE. Some is sent to an intermediate market.

The CHAIRMAN. Have you paid some attention to the Bureau of Foreign Commerce of the United States?

Mr. HYDE. Not a great deal, Mr. Chairman. I know in a general way what it is.

The CHAIRMAN. Well, what is it, and what are its facilities for meeting that object?

Mr. HYDE. As I understand it, the Bureau of Foreign Commerce publishes the reports of the United States consuls abroad in such form that they may be of the greatest value to American exporters. The actual details of this work I am not familiar with.

The CHAIRMAN. It is your opinion that the work of your Department with reference to crop statistics could not be accomplished by any other?

Mr. HYDE. Most distinctly so.

The CHAIRMAN. Are your correspondents paid correspondents?

Mr. HYDE. Not as a rule; in fact, the correspondents, the mass of correspondents, are not paid at all; but we give them a very liberal allowance of seeds, cuttings, bulbs, and so on—whatever the Department may have available for use—and such public documents as they may wish to have.

The CHAIRMAN. They are parties to whom you would probably send those things, any way, if you had their addresses?

Mr. HYDE. We do a great deal more for them than for ordinary applicants whom we do not know anything about. I think that in all probability there is less duplication—in fact, I am quite sure of it—in our work in the cotton movement than in the work of any of the experts or commercial authorities, such as the New York Cotton Exchange, for instance, because our figures are lower than theirs, which I think is due to closer and stricter elimination of duplications.

Mr. ADAMSON. Your volunteer correspondents, to whom you give nothing but seeds and literature, are distributed all through the cotton belt?

Mr. HYDE. All through the cotton belt; yes, sir.

Mr. ADAMSON. How many in each county?

Mr. HYDE. Varying in each county.

Mr. ADAMSON. What is the average?

Mr. HYDE. The average will probably be, including ginners, fully 75.

Mr. ADAMSON. Do you get reports from all ginners?

Mr. HYDE. No, we do not get reports from all ginners.

Mr. ADAMSON. How do you select those volunteer correspondents? Do they write and offer to report, or do you send a man out and inquire about them, whether they are reliable?

Mr. HYDE. Many of them have been corresponding with the Department for many years—ten, or fifteen, or twenty years. When a correspondent finds that he can not report any longer he generally recommends somebody as his successor.

Mr. ADAMSON. Aside from the ginners, what is the average in each county?

Mr. HYDE. Aside from the ginners, the average in each county will be 40—40 or 50.

Mr. ADAMSON. How long do they report to you?

Mr. HYDE. They commence with the beginning of the crop, after the planting of the crop.

Mr. ADAMSON. Then how often do they report?

Mr. HYDE. They report, during the growing season, monthly, from June to October. Then, during the closing days of November we send schedules to every ginner and every planter whose name and address we have in the entire South.

Mr. ADAMSON. What do you ask for in that line—what information?

Mr. HYDE. We ask what is, in the judgment of the person to whom the circular is sent, the average production of cotton per acre; the area of abandoned land; how much of the acreage planted in the spring or early summer was abandoned.

Mr. ADAMSON. I speak of the time in the fall when you send out these blanks.

Mr. HYDE. We ask that question in the fall, because there may have been abandonments at any stage, owing to the stress of weather or force of circumstances. The ginners we ask how much cotton they have ginned from the beginning of the present season up to the 20th of November, and how much was ginned between the corresponding dates of the previous year.

Mr. ADAMSON. You send that to all ginners?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. Do they all respond?

Mr. HYDE. No; all do not respond; but a sufficient number respond to enable us to have a good idea—

Mr. ADAMSON. Of course you have no means of procuring responses?

Mr. HYDE. We can not compel them.

Mr. ADAMSON. There is no compulsion. Do you send that out only once in the fall?

Mr. HYDE. We send that out only once in the fall. We wait until the end of November, when it is pretty well determined whether there is or is not an early frost, and how much of the cotton crop will be gathered.

Mr. ADAMSON. When the crop begins, and from that time up to the fall, you do not send out any forms or blanks?

Mr. HYDE. Only to our regular correspondents, and in the cotton territory they number some 30,000, and they report monthly on the condition of the cotton.

Mr. ADAMSON. They are the ones upon whose monthly opinions you base your estimate as to the prospective crop?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. And when you publish an estimate, which I believe you do early in the fall, you base it on the opinions those people have written to you?

Mr. HYDE. Yes; on the 3d day of each month.

Mr. ADAMSON. Making the comparison that has been described, with other data, and making allowance where you find there is a difference of opinion in the same locality?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. When you begin to receive reports in the spring, and find that there is a shortage in acreage, of course that would be one element on which you are to base a lower crop next year. Then if your report showed a shortage—a shrinkage—in the amount of fertilizer used, that would also be another factor?

Mr. HYDE. That is all taken into account also.

Mr. ADAMSON. Then if the season is not favorable, that would be another thing to be considered?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. All those conditions existed this year?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. And yet the crop was larger than it was last year. That was a little delusive, was it not?

Mr. HYDE. Up to the 3d of October there was every indication for a smaller crop than last year, but the phenomenal weather that prevailed during October and November added very materially to the crop.

Mr. ADAMSON. It only prevented a part of the crop from being lost; kept the season open long enough so that it could be saved?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. Now, I want to ask you if you do not think it would be much better, even if it cost a little more, to have some system by which you knew that you would get reports from all the ginner and from the cotton centers at least once a week, in order to inform the people definitely and accurately what the crop was going to be?

Mr. HYDE. I do not think any such system could be devised. When the census bill was under consideration in the Senate a year ago, the Director of the Census asked for authority to continue his collection of statistics from ginner once a year. Senator Tillman rose in his place and said, "Why should not this be done once a month? It was a very great advantage to the cotton raisers of the South." Senator Money rose and said, "Why not have this done once a week; would not that be still better?" The interests of the South were of such great magnitude, and it would only be a little more expensive; so the thing passed that way, and the House concurred in it. But the thing was so impossible that the Census has made no attempt to collect those statistics even monthly, but is contenting itself with three collections of ginning statistics in the year.

Mr. ADAMSON. Does it have to have a man in each county to go to each ginner?

Mr. HYDE (continuing). But in order to tabulate that, the visitation of gins would have to be gone over early enough and a sufficient number of men would have to be employed to do the work within a couple of days, and then it would have to be telegraphed to Washington in order to be of service.

Mr. ADAMSON. Of course it costs something——

Mr. HYDE. It costs something; yes, sir.

Mr. ADAMSON. But the need of it is costing our people something, and the Government does a great many things, and it is not celebrated for haggling where there is anything to be gained. Do you not think, from your knowledge of business methods and your acquaintance with business men, that with reasonable expense in each community the Government could secure one or more men, if necessary, who every week would have power to go and compel an answer from every ginner in each county and get that information to Washington?

Mr. HYDE. I do. It is only a matter of money.

Mr. ADAMSON. Do you not think it is a waste of money to have a division in this work? Do you not think that it had better be concentrated and all the money put in concentrated form and concentrate the energy? Why should you and the Census Bureau be each doing half of this work instead of one of you doing all of it, even if it cost more?

Mr. HYDE. We think that we could do it all efficiently.

Mr. ADAMSON. You think that it all ought to be consolidated wherever it goes?

Mr. HYDE. Yes; and I think that is the opinion of the influential men of the South.

Mr. ADAMSON. I am not talking to you about taking it away from you, because everybody recognizes the superior quality of the work over preceding administrations.

Mr. HYDE. It is said to have saved the South from \$75,000,000 to \$100,000,000 on its cotton crop in a single season.

Mr. ADAMSON. When was that?

Mr. HYDE. I think year before last. I did not undertake to figure it myself, but the statement was made very frequently.

Mr. ADAMSON. If your estimate on the crop in the summer was 1,000,000 bales short, and if it should induce the farmers to hold their cotton crop, and then when the final estimate came out they had to sell it at a lower price, in that case you would not save them much?

Mr. HYDE. No, sir; but since I have been in charge there has been no estimate that was a million short. But the cotton speculators have industriously circulated the statement that the difference between my estimate of the cotton crop and what was subsequently shown to have come into commercial channels within the year was a million bales; but I stated in a special report about ten days ago that that is brought down to less than 100,000. An unusual amount of cotton was brought forward last year from the preceding year--nearly 100,000 bales. Then again, oil mills have grown in number and capacity to such an extent that what is called linters, or what cotton adheres to the seed, after it is taken off in the oil mills, contributes 200,000 bales annually to the crop.

Mr. ADAMSON. All that could be gotten up in the way that I have referred to.

Mr. HYDE. Certainly. I merely mentioned that to show that the apparent discrepancy between my estimate and the final estimate of the crop was apparent and not real.

Mr. ADAMSON. What we would like to reach in this matter is efficiency and reliability, so that between the two animals publishing estimates to push the market up and pull the market down, yours would take neither side, but give what is the truth. You do think that is possible if you have money enough.

Mr. HYDE. I do.

Mr. ADAMSON. And what force do you employ now of tabulators and digesters of these reports in the fall, when you begin to get them in? I mean during the growth of a crop.

Mr. HYDE. In the field or in the office?

Mr. ADAMSON. No; your digesters—your tabulators. You have told me how many you had in the field. What is your force there, to receive those reports and digest them?

Mr. HYDE. The entire force is about 75.

Mr. ADAMSON. Are the entire force engaged in that work?

Mr. HYDE. No; that includes messengers and typewriters and experts and specialists.

Mr. ADAMSON. How many gins are there in the cotton States?

Mr. HYDE. There is a good deal of difference between our idea and that of the census. The census claims about 20,000 to 29,000. We have the addresses of over 40,000.

Mr. ADAMSON. You are better counters, then, than the census?

Mr. HYDE. Possibly.

Mr. ADAMSON. What average would that be to the county; how many to the county?

Mr. HYDE. Of course that includes both public and private gins.

Mr. ADAMSON. All that gin cotton?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. I suppose there is an average of about 100 in each of the cotton States?

Mr. HYDE. Yes; the cotton counties are about 800 in number.

Mr. ADAMSON. And of course 40,000 ginnerers would be about 50 to the county. How many men would it take to interview 50 ginnerers each week—good business men?

Mr. HYDE. If it had to be done within one or two days—

Mr. ADAMSON. You have all the printed forms and questions, and the ginnerers would soon learn their lesson and answer, and it would not take much time to each one. The ginner is required to get up the information and have it ready; he may have it all ready and filled out when the agent comes, and there might be a system of sending them to him.

Mr. HYDE. Of course, if the gins were visited weekly it would be easy—

Mr. ADAMSON. Could not one man to the county attend to the business pretty well?

Mr. HYDE. No, sir.

Mr. ADAMSON. Two or three, then, if the county was a small one?

Mr. HYDE. No, sir. But, as I say, it would not do to spread the work over the entire week, for if it is to be of any value for comparative purposes it must be brought within the first or last two days of the week, in order that it might be compared with the corresponding two days of the preceding week.

Mr. ADAMSON. Once a week would be four times a month?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. How many men do you say it would take to interview these 40,000 ginnerers once a week, in 800 counties, 50 to the county?

Mr. HYDE. It would need 6 or 7 men in each county.

Mr. ADAMSON. How many does the Census have; one to each county?

Mr. HYDE. You would not always want to pay for transportation as well as their compensation, so that the districts within which they worked would have to be comparatively restricted.

Mr. ADAMSON. Seven or eight to the county?

Mr. HYDE. Yes, sir; but that need not necessarily add to the expense very greatly. If it was a weekly thing with them and did not take much time a man who was engaged in some other occupation could do that work.

Mr. STEWART. How do your figures with reference to growing and transportation of cotton agree with the figures of the Census Bureau? Is there as much diversity as there is in the number of agents?

Mr. HYDE. No; there is not.

Mr. STEWART. What proportion of difference is there in the figures?

Mr. HYDE. A very small difference.

Mr. STEWART. Between your figures and those of the Census Office?

Mr. HYDE. Yes, sir.

Mr. STEWART. Is not the value of your reports due largely to the veracity of the grower and ginner and transporter?

Mr. HYDE. The transporter is only used as a check upon the others.

Mr. STEWART. Is there not a large temptation upon each to exaggerate the amount of production?

Mr. HYDE. To exaggerate the amount?

Mr. STEWART. Yes.

Mr. HYDE. No; the temptation to the planter, if there is any temptation, would be to understate the amount.

Mr. STEWART. On the part of the ginner it is just the opposite?

Mr. HYDE. A great many ginnerers are also planters.

Mr. STEWART. And the temptation of the transportation company is to exaggerate the amount transported?

Mr. HYDE. Those figures are exact figures, I believe. They are usually transcripts from the books of the company. The Southern Railroad, whose headquarters are here in the city, allows my clerks, from my own office, to make those transcripts from their books. Those clerks go there for that purpose. And even the ginnerers' report falls slightly short of the actual facts.

Mr. LOVERING. What data did you have in August for putting out the remarkable report that was given at that time?

Mr. HYDE. From the county correspondents, one in each county, with two or three assistant correspondents, the township correspondents, each reporting for his own particular vicinity, precinct, neighborhood, and the States' statistical agents, who are paid officers or employees of the department, one in each State, each with his own corps of correspondents. Their reports are all tabulated separately and then brought together for purposes of comparison.

Mr. LOVERING. You have confidence in their reports, have you?

Mr. HYDE. I have confidence in them so far as this, that in the course of three or four years—I think it was four years ago I stated—we have been able to determine how far each class of correspondents falls below the actual state of facts as subsequently determined by the cotton movement. My cotton estimate, issued in December, has not varied more than three bales in every hundred from what has subsequently been proved to be the actual amount of cotton grown.

Mr. LOVERING. Why does your December statement vary so much in percentage from your August statement?

Mr. HYDE. Because up to October there was a gradual decline in the present year in the condition of cotton, but since October the remarkably fine weather we have had, and the absence of killing frosts, has enabled a very much larger crop to be gathered than anybody thought of.

Mr. LOVERING. They are estimates in both cases?

Mr. HYDE. Estimates in both cases.

Mr. LOVERING. They are not tabulations?

Mr. HYDE. No, sir.

Mr. LOVERING. What is the average weight of a bale this year?

Mr. HYDE. The average weight of a bale this year is very high. It is so high that in one case I telegraphed back to our special agent asking him if he had not given me the gross weight of a bale instead of the net.

Mr. LOVERING. What is it?

Mr. HYDE. Their average is slightly over 490 pounds.

Mr. LOVERING. Four hundred and ninety pounds?

Mr. HYDE. Yes, sir; 490 pounds.

Mr. LOVERING. What is the usual average?

Mr. HYDE. The usual average is 475 to 480 pounds. Of course, it varies considerably in different sections of the country, but in the Atlantic States this year it is unusually high.

Mr. LOVERING. Is that taken into account when you make up your estimates?

Mr. HYDE. Yes, sir; a separate average weight is applied to the cotton produced in that State. We do not establish one general average weight of the bale for the whole country and apply that to what we believe to be the total cotton crop of the country, but we apply the average weight for each State to the production in that State and so get the number of bales of cotton.

Mr. LOVERING. So that it is nearly 5 per cent above the average this year, the weight of a bale of cotton?

Mr. HYDE. No; hardly so much as that, sir.

Mr. LOVERING. You said 495 pounds?

Mr. HYDE. 490 pounds; not quite 491.

Mr. ADAMSON. Mr. Hyde, if we could arrange a system, and be satisfied with it, that would have a man give his whole time to attend to this, and get around the county once a week, could not one man go around the county and get up that information that I asked you about?

Mr. HYDE. Undoubtedly.

Mr. ADAMSON. What would their average pay be? Could they not be secured without any princely salary? Can you not get pretty good men down South for from \$40 to \$50 a month?

Mr. HYDE. I have no doubt we could. But I can not help thinking that those statistics would be of very little value for comparative purposes unless they could be collected on certain days, rather than to have the enumerator going about and calling at some places on a Monday and others on a Tuesday, and so on.

Mr. ADAMSON. Can you not fix a blank to show whatever he did at a certain place?

Mr. HYDE. Yes; but what we would want to know would be the amount of cotton ginned between the first day of one week and the first day of the next week, for instance.

Mr. ADAMSON. Can you not prepare those forms so that the ginner will state how much he ginned on each day of the week?

Mr. HYDE. That would be quite practicable. The only drawback would be that the statistics would be a few days older than they would be otherwise.

Mr. ADAMSON. They would not be a month older?

Mr. HYDE. No, sir; not a month older.

Mr. ADAMSON. While he is doing that would he not also take the opinion of the ginner, and the surrounding aspect, and the condition of the crop, and all that?

Mr. HYDE. Yes, sir; and if the man himself were devoting his entire time to the work his own opinion would be valuable.

Mr. ADAMSON. You could take his report as to the work?

Mr. HYDE. Yes, sir; we could have his opinion, too.

Mr. LOVERING. How do you employ these men? Who suggests them to you, or how do they come to you?

Mr. HYDE. A great many of them have been corresponding with the Department for eight or ten or fifteen years.

Mr. LOVERING. In what class are they?

Mr. HYDE. Eighty-five per cent of them, taking the country as a whole, are farmers, and I presume in the South 85 per cent are planters.

Mr. LOVERING. They are planters?

Mr. HYDE. Yes, sir.

Mr. LOVERING. And, as a rule, they generally give a pretty bearish statement of the outlook?

Mr. HYDE. They have never been known to report the condition higher than it really was.

Mr. LOVERING. Then their reports are, on the whole, untrustworthy, are they not?

Mr. HYDE. No; I should not like to say that.

Mr. LOVERING. They are so considered by the Cotton Exchange in New York.

Mr. HYDE. Yes; but the personal equation is bound to enter into the report of everyone who is a producer, or, on the contrary, a buyer or consumer.

Mr. LOVERING. Are there any of these people who make these reports who are conceded to be in the interest of buyers?

Mr. HYDE. No; I do not think there are.

Mr. LOVERING. They are almost all in the interest of the planter himself?

Mr. HYDE. Yes, sir.

Mr. MANN. Do you think they make their reports intentionally erroneous.

Mr. HYDE. No, sir; I do not.

Mr. MANN. Do you think the buyer is better able to judge of what the cotton crop will be than the man who is raising it?

Mr. HYDE. Certainly not.

Mr. MANN. Do you not take the very best testimony that can be obtained?

Mr. HYDE. We get the very best testimony that can be obtained, and endeavor to eliminate the personal equation.

Mr. MANN. The planter on the ground knows more about it than anybody else can know.

Mr. HYDE. Unquestionably.

Mr. MANN. He may be biased unintentionally; but you do not believe that he is, intentionally?

Mr. HYDE. No, sir.

Mr. STEWART. The big cotton exchanges depend on different statistics from the producers' statistics? They send men out for the benefit of their own interests?

Mr. HYDE. They send out palace-car crop reporters, as they are called; or they sometimes go out in the field and look for themselves.

Mr. ADAMSON. They always get it low enough?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. The world has never suffered any lack of information published by that crowd?

Mr. HYDE. No, sir.

Mr. STEWART. Your statistics are not dependent on the buyers of cotton at all. They look to the cotton exchanges of the various cities for their statistics?

Mr. HYDE. They look to our statistics, mainly.

Mr. MANN. When they want the facts, they look to your statistics?

Mr. HYDE. Yes, sir.

Mr. MANN. And when they are trying to bear the market, they look to the other statistics?

Mr. HYDE. Yes, sir.

Mr. MANN. I know it is so about grain, and I guess it is so about cotton.

Mr. HYDE. There is a great deal more tension and excitement, I think, in the cotton than in the grain market.

Mr. LOVERING. If you were to make that report over again which you gave out in August last, do you think that you would make it exactly the same as you did?

Mr. HYDE. Yes, sir; to a tenth of a pound.

Mr. LOVERING. That is, in view of the figures put before you at that time?

Mr. HYDE. Yes, sir; I see no reason to change or modify it in any way.

Mr. ADAMSON. If the conditions had been as indicated in the autumn, you think that report would have been verified?

Mr. HYDE. In the reporting of figures in the growing season there is not that inclination to report pessimistically that there is toward the close of the season, when the reporters report in pounds of lint cotton to the acre.

Mr. LOVERING. Could there not be a scheme devised by which you would have all of the same questions answered both from the buyers' side of the question and from the sellers' side.

Mr. HYDE. Yes, I presume there could. We have a large list, consisting of a good many thousands—I could not say how many thousands—bankers and merchants in the Southern States, who report on the 1st of December on the average production of cotton per acre, and their reports are tabulated separately. Now, a week ago, when we prepared the report which was given out on the 3d instant, I had before me six different sets of figures, one from the State statistical agent, one from the county correspondents, each reporting from his own county; from the township reports, from the magisterial districts, and from the Southern bankers and merchants.

Mr. LOVERING. Local bankers merely?

Mr. HYDE. Purely. Then the reports from the merchants, and from individual planters.

Mr. LOVERING. They may be said to be representative men on the side of the planters, may they not?

Mr. HYDE. In a sense.

Mr. LOVERING. In what sense are they not?

Mr. HYDE. The bankers and merchants—

Mr. LOVERING. They are local bankers and local merchants?

Mr. HYDE. Local bankers and local merchants. You might say that the entire South as a unit is interested in getting a good price for its cotton.

Mr. LOVERING. Bulling the market; bearing the crop and bulling the market?

Mr. HYDE. Yes, sir; and the South and the Southern people are very much more able to report on that crop than anybody knowing little or nothing about the cotton grown down there.

Mr. LOVERING. Why is it that the reports of the Agricultural Bureau on cotton have fallen into such disgrace, almost, in Liverpool and New York, as they have?

Mr. HYDE. They have in New York simply because it is to the interest of the speculators to discredit them in every way.

Mr. LOVERING. That would all be verified at the end of the crop season, whether they are right or wrong, would it not?

Mr. HYDE. Yes, sir; and yet—

Mr. LOVERING. You make a report in August which indicates a crop of less than 9,000,000 bales, and you make a report now which indicates a crop of ten and one-half million bales at the end of the season. Your report in August is not justified.

Mr. HYDE. There can be no question that there was a gradual decline in the crop up to the end of October, when our last report was made. That took the form of a condition report—that is, of a percentage of the normal.

Mr. LOVERING. Would it not be better if the Agricultural Bureau did not give out any reports at all?

Mr. HYDE. I do not think so, sir. The Cotton Planters' Protection Association of the Southern States, and the Texas Cotton Growers' Association, and the Association of Commissioners' of Agriculture of the Southern States, all within the last sixty or ninety days, commended in the very strongest words the statistical work of the Department of Agriculture as the only thing that stood between the speculator and the producer.

Mr. RICHARDSON. Is not the purpose of your reports to prevent the speculator from depressing the price of cotton?

Mr. HYDE. Precisely.

Mr. LOVERING. Do you mean to say that the Department has a particular purpose, to prevent buyers of cotton from getting their rights?

Mr. HYDE. The object of the collection of statistics by the Department is to determine what the crop is.

Mr. LOVERING. But in answer to Mr. Richardson you said that the purpose was to prevent the speculators—call them buyers or speculators or whatever you wish—to prevent them from bearing the market. Is that the purpose of it?

Mr. HYDE. In the sense in which I make the statement I think it is entirely consistent with the answer that I gave to you. I intend it to be the same.

Mr. ADAMSON. Would it not prevent exaggeration on either side—

Mr. HYDE. Yes, sir.

Mr. LOVERING. If it was accurate?

Mr. HYDE. Yes, sir. I suppose, using the word "result" instead of "purpose," that is correct?

Mr. MANN. In other words, you publish this for practical results?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. And a great many of these men who report to you are planters themselves, and it is all among the planters, those wholesale merchants and bankers are all together there?

Mr. HYDE. Yes, sir.

Mr. LOVERING. This is no more for the planters than it is for the spinners?

Mr. HYDE. No, sir; for the whole world, but their own people, especially.

Mr. RICHARDSON. Is it not true that there are parties who have been engaged for years past in making estimates of what the cotton yield was, who palpably did it for the purpose of exaggerating and overestimating the amount of cotton in order to depress the price and enable the cotton buyers to get it cheaper? Is there not a man now, named Neal, at New Orleans, who has been engaged in that for years?

Mr. HYDE. Yes, sir.

Mr. MANN. I take it, the purpose of the Department is simply to furnish facts.

Mr. HYDE. Yes, sir.

Mr. MANN. That is what I supposed it was, and without any regard for either side.

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. Is it not a fact that the Census Department has also now parties engaged in going around through the cotton region and ascertaining from the ginnerers what amount of bales are ginned? Do you not also look to that source of information?

Mr. LOVERING. That is the finality.

Mr. RICHARDSON. I understand that, but this is getting up an estimate. They do do that?

Mr. HYDE. The census has men.

Mr. RICHARDSON. Qualified men, who have been going through the cotton regions finding out from ginnerers the number of bales?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. All for the benefit of the public, and to get reliable and accurate statistics of the cotton grown?

Mr. HYDE. Yes, sir.

Mr. ADAMSON. I want to ask you one other question on the subject of the number and expense of these agents, which I spoke of, who might be employed with the object of making at least a weekly report, say, from June, from every district in the cotton belt. I want to ask you with reference to the administration, with a view to reducing the expense, if the Census Office could do it as well? Have they not already agents for other purposes working all through the country anyway, and combining the procuring of those statistics with other work—have they not agents already that could do the work?

Mr. HYDE. I do not know whether they have or not. I do not think so.

Mr. ADAMSON. Have not other departments agents already going through the country with whose work this could be done?

Mr. HYDE. Not that I know of.

Mr. ADAMSON. They do not have and would not have for other purposes?

Mr. HYDE. No, sir.

Mr. ADAMSON. Then, wherever it is necessary to establish the system I suggest, and place those agents in the field, they would have that sole duty, and no other work, and the entire expense.

Mr. HYDE. I think so.

Mr. LOVERING. Would it not be possible to get some independent reporters who would favor neither one side nor the other, whose purpose would be purely and simply to get absolute facts and statistics? Would not that be possible?

Mr. HYDE. I think if a corps of men for the distinct purpose of reporting to the Department were organized, and that constituted

their only business, it might be possible. Still, while their environment might lead them to report something below the actual facts, I think that they would come nearer to it than the ordinary correspondent who is employed to-day.

Mr. MANN. Would you not need the ordinary correspondent anyway, as a check? If you had a corps of employees of that sort, would there not be danger that their reports would be purposely colored?

Mr. HYDE. I should like, indeed, to see the ordinary correspondent kept; and I believe that the success of our operations is due to the fact that 85 per cent of its correspondents are farmers, taking the average of the country, and 85 per cent are planters, probably, in the South, and they feel to some extent that it is their work.

Mr. MANN. How wide a discrepancy is there between your work, between that of the county and the township correspondents, and that of the State statistical agencies?

Mr. HYDE. A very wide one. The average for all correspondents last year was nearly 20 per cent.

Mr. LOVERING. How much?

Mr. HYDE. Nearly 20 per cent.

Mr. RICHARDSON. Is it not a fact that the estimate made by the Agricultural Department has been changed within, for instance, the last six weeks? Your estimate first, six or seven weeks ago, looking over it, was that so and so would be the yield of the cotton crop, and afterwards, in the final report, you increased that estimate.

Mr. HYDE. Well, sir; we make no quantity estimate at all until the 3d of December, but of course the condition figures, 54, 58, 65, or 75—whatever they may be—are taken by speculators and by legitimate traders.

Mr. LOVERING. Let me ask why you say speculators? Are there not other honest dealers as well as speculators?

Mr. HYDE. I noticed that difference. I couple "speculators and legitimate traders."

Mr. LOVERING. The speculators are the ones who fix the price on the cotton exchange? What I was driving at was that the spinner has to be taken into consideration also.

Mr. MANN. Of course.

Mr. RICHARDSON. What I want to get at is this, that the prospects of the crop from the first, when it first commences growing and the boll to swell, had changed decidedly for the better.

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. And by reason of the conditions of weather and the extraordinary fall and the splendid opportunity of gathering the crop—all that entered into it?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. And the crop now, at the conclusion, is much better than it was believed to be at the beginning?

Mr. HYDE. Very much better, indeed.

Mr. RICHARDSON. Your estimates in September as to the final crop are based on the weather—what it will be—and the condition of the crop. As I understand you, they give your figures as of a certain date, reporting as of a certain date, and you do not know what the weather is going to be?

Mr. HYDE. No.

Mr. MANN. What the final crop will be is not the question. That depends on the weather after your report as to the condition. You do not attempt, as the Navy Department attempts, to state a month ahead what the weather will be?

Mr. HYDE. No, sir. The Department has always maintained that its figures for the preceding month are not convertible into bushels or barrels or bales, according to the figures.

Mr. MANN. And yet you did do that?

Mr. HYDE. No, sir; it was not until the December report that any estimate was made in bales.

Mr. MANN. But 54 per cent—at any time anybody could figure out what it means.

Mr. HYDE. It does not mean fifty-four hundredths of the average crop.

Mr. MANN. Yes, it does, of your standard crop.

Mr. HYDE. Of our standard crop.

Mr. MANN. That would be a full crop, practically.

Mr. HYDE. Of a full crop.

Mr. ADAMSON. You expressed the opinion early in your examination that the producers would oppose this work being done by the Department of Commerce because it was called "the Department of Commerce."

Mr. HYDE. Yes, sir; I think they would.

Mr. ADAMSON. Do you think they would look with any more distrust upon that than that with which the consumers look upon the Agricultural Department because it is called "The Department of Agriculture?" It is about six of one and half a dozen of the other, is it not? Do you not think that both parties could make peace and just call it the Census Office? Would not that allay all animosity?

Mr. LOVERING. In that case we would do away with all these estimates given and percentages at different times of the year. The Census Office does not do anything of that sort.

Mr. ADAMSON. We are going to try to get that done, and if we can not get it done by Congress we will try to get it done by the different State governments. Congress can do it better itself, and can do it cheaper, of course. We want the truth.

Mr. MANN. You want the truth when there is a small crop and not where there is a large crop.

Mr. ADAMSON. We want the truth in the beginning. It does not do us any good to have it arise after the cotton has gotten out of our hands.

Mr. HYDE. A year ago I thought for the first time in its history the estimate of the statistician ran some slight chance of exceeding the actual fact; and yet, as stated a few minutes ago, it was nearly three hundred thousand bales below.

Mr. RICHARDSON. I was not in here when you commenced your examination, and I am very much interested in the line of your evidence. The way you acquire information in the matter of formulating your estimates and statistics is through individuals you have employed and written to in the different counties in the cotton region?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. They are not paid anything?

Mr. HYDE. They are not paid anything.

Mr. RICHARDSON. And you generally select, do you not, some competent, qualified man who has some knowledge of the people and who goes around among them?

Mr. HYDE. Yes, sir. And when a retiring correspondent fails to recommend a successor we usually write to the postmaster or to some prominent banker and get him to recommend some one.

Mr. RICHARDSON. And is it not a fact that in order to make your statistics as reliable as possible you get the tax collector, who goes around among the people collecting taxes and comes in contact with the people as much as any man in the community, to report to you?

Mr. HYDE. We undoubtedly have some tax collectors among our reporters, but our selections are not exclusively among collectors.

Mr. RICHARDSON. He reports how often?

Mr. HYDE. Monthly, during June and July.

Mr. RICHARDSON. You furnish him blanks?

Mr. HYDE. Yes.

Mr. RICHARDSON. And he gives you his estimate about the condition of the crop?

Mr. HYDE. Yes.

The CHAIRMAN. Is that exactly correct? Does he give you an estimate of the crop or of the condition of the crop?

Mr. HYDE. An estimate of the condition during the growing season, and at the wind up, in December, his estimate of the production per acre in his district.

Mr. RICHARDSON. And the condition and the prospects of the crop, its growth and its fruitage, and so on?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. And you furnish him blanks?

Mr. HYDE. Yes.

Mr. RICHARDSON. And you do not pay anything to that man?

Mr. HYDE. No, sir.

Mr. RICHARDSON. Now, is it not a fact that the estimates that are made by what we properly call speculators, like Mr. Neal, at New Orleans—and I mention him because he has a good deal of notoriety—

Mr. LOVERING. Theodore Price, of New York, is a very large operator, also.

Mr. RICHARDSON. I mention Mr. Neal, as I say, because he is always making estimates about the crops. How is it that he gets his information from which he makes his estimates as to the crops? Is it not in this way: That a man goes along traveling through the country and looks out from the car window, and makes an estimate of what he sees then, as compared with what he saw the year before, without getting out of the car and talking with the people at all?

Mr. HYDE. Very largely. About a year ago I went to Macon, Ga., to address a farmers' national congress, and I made the acquaintance there of a nephew of Senator Clay, and he told me that Mr. Postin, who represented the English spinners, had been there a few days before, and that he had taken Postin out in his buggy, and Postin would say, "That is a pretty field of cotton," and the gentleman would say, "Let us get out and look at that. There is not as much as you think there is." And Postin would say, after looking at it, "Yes; this is deceptive; this is not as good as it looks; but you will have lots of cotton this year."

Mr. RICHARDSON. He represented the spinners?

Mr. HYDE. Yes, sir.

Mr. MANN. Do you think that he was intentionally deceiving himself?

Mr. HYDE. That is a psychological question that I could hardly answer.

Mr. MANN. He would have no object in obtaining information in that way, because if he wanted to lie about it he could do it without looking at the cotton at all.

Mr. RICHARDSON. It was to the interest of these people that he represented to magnify that crop of cotton.

Mr. HYDE. He was going back to Liverpool, and his estimate when he got back there was something over 11,000,000 bales. I forget exactly what it was, but I think it was eleven and a quarter millions. When this gentleman drove him out in his buggy at Macon, what Mr. Postin saw there was not in accord with that estimate.

Mr. RICHARDSON. What is the proportion of the cotton raised by the South to that consumed by the world?

Mr. HYDE. I could not tell you offhand.

Mr. RICHARDSON. Is it not 70 per cent, at least?

Mr. HYDE. Something around that. It is two-thirds; not less than two-thirds, and I think nearer three-quarters.

Mr. LOVERING. It is between the two.

Mr. MANN. Have you not a little bias when you speak of these individual estimators—just a little bias against them?

Mr. HYDE. Absolutely none, sir.

Mr. MANN. Not intentionally?

Mr. HYDE. Not intentionally, nor otherwise.

Mr. MANN. Is it not a fact that the statistics of those estimators receive almost as much credence in the markets as the agricultural statistics?

Mr. HYDE. Is it not a fact that they do?

Mr. MANN. Yes, sir.

Mr. HYDE. Well, I don't know.

Mr. MANN. On the Chicago Board of Trade do they not pay more attention to what Snow's estimates are concerning the conditions than to what your estimates are?

Mr. HYDE. That I could not say.

Mr. LOVERING. Do you assume always that the speculator is a bull on the crop and a bear on the market?

Mr. HYDE. No, sir; I do not assume anything with regard to the speculator.

Mr. LOVERING. You say this is done against the speculators; that this is done to checkmate the speculators.

Mr. MANN. You can not very well have speculation on an exchange without two parties to it, can you?

Mr. HYDE. No.

Mr. LOVERING. You take Theodore Price, of New York, who has been for the last year one of the greatest bulls in the market that we have had. He is a speculator, and has had his own estimates made by his own men, and he is on the side of the planter, and he is a speculator, and the biggest one, almost, in New York.

Mr. HYDE. Yes, sir.

Mr. MANN. How many bureaus of the Government are there now engaged in making statistics with reference to manufactures?

Mr. HYDE. The statistical division of the Department of Agriculture and the agricultural division of the Census Office. There are no others, so far as I know.

Mr. MANN. How about the Weather Bureau?

Mr. HYDE. The Weather Bureau does not make any estimates of crops. The Weather Bureau's functions are merely to state from week to week in the growing season what the general effect of the weather, the climate, has been upon the crops.

Mr. MANN. Do they not go further, and report the conditions of the crops?

Mr. HYDE. No; they are not supposed to, and I am in a position to say that the Secretary of Agriculture has specifically requested that the bounds be not overstepped.

Mr. MANN. Then they were doing it and you have stopped it? I do not mean you, personally.

Mr. HYDE. Possibly there was a tendency to do it.

Mr. MANN. My information was, a while ago, that the opinions of the Weather Bureau were given more consideration than the opinions of your division in the stock markets, in the grain market.

Mr. HYDE. The statements of the Weather Bureau, so far as crops are concerned, are not in any way comparable. They usually run something like this: "In eastern Kansas the weather has been very favorable for corn. In Minnesota wheat does not look quite so well as it did two weeks ago." They are merely generalities of that kind.

Mr. MANN. You mean they do not report as to the percentage?

Mr. HYDE. No, sir.

Mr. MANN. But they report as to the conditions of crops in every portion of the country, and those reports may be of value to a man who knows something about the subject himself, and forms some opinion. You do not think that?

Mr. HYDE. I think if you call for the reports of the Weather Bureau you would not find anything of that kind.

Mr. MANN. I do not know personally, but I am asking for information, because I have been told many times by men in Chicago who deal speculatively both for and against high prices that they paid more attention to the statements from the Weather Bureau as to the condition of the crops than they did to the statements of your department, and I rather wondered at it.

Mr. STEWART. You said a moment ago that sometimes you took suggestions of the postmaster in the matter of the selection of correspondents. Do you have any Congressmen on your staff of correspondents, or Senators?

Mr. HYDE. On our staff of correspondents?

Mr. STEWART. Yes, sir; in the South.

Mr. MANN. He has me on his list, but I do not think he knows it.

Mr. HYDE. I did not know it, Mr. Mann. I knew that we had Representative Bull, of Rhode Island. So far as the South is concerned, I could not say whether we have a single Congressman or Senator.

Mr. RICHARDSON. Is it not a fact that you have not got a single Congressman or Senator in the South on your list?

Mr. HYDE. I think so.

Mr. STEWART. When I asked the question I did not mean Southern Congressmen at all. I said, "Congressmen and Senators." But you have Southern postmasters for your correspondents?

Mr. HYDE. In many instances.

Mr. MANN. My question about the Weather Bureau was not for the purpose of casting any discredit upon you, but for the purpose of asking whether they have any better reasons for having salaried officials to make their reports to them than you have for having a vast number of unpaid correspondents throughout the country?

Mr. HYDE. I must say that there has been some little talk, in fact something more than some little talk, which came out in Congress last summer, as to whether the statistical work of the Department of Agriculture should be turned over to the Weather Bureau entirely, and the House inserted an amendment in the appropriation bill to the effect that the Secretary be instructed to transfer the statistical work of the Department to the Weather Bureau. When the bill reached the Senate the Senate struck out that provision and inserted an amendment asking the Secretary to report as to the advisability of doing that, and the House concurred in that—substituted the amendment. I do not know that it may be considered as having any bearing whatever on the relative value of the two reports, but certainly a committee representing the National Board of Trade and composed of very prominent commercial experts, representing the Chicago Board of Trade, and the New York Produce Exchange, and the Cincinnati Chamber of Commerce, and the Baltimore Chamber of Commerce, and the Philadelphia Commercial Museum, were here investigating the statistical work of the Department of Agriculture and of the agricultural department of the Census Office, and in their report they come out very strongly against the transfer of the statistical work of the Department of Agriculture to the Weather Bureau or to any other Bureau. They represent the commercial side of the question.

Mr. MANN. Does any other department duplicate your work?

Mr. HYDE. There is no duplication—absolutely none whatever.

Mr. MANN. There is no duplication between your work and that of the Census Office?

Mr. HYDE. No, sir; there is none.

Mr. MANN. Yours is an estimate all the time?

Mr. HYDE. An estimate all the time.

Mr. MANN. If theirs is ever published, and when it is published, it is supposed to be a statement of the actual facts?

Mr. HYDE. It is supposed to represent the actual facts, and a point-to-point canvass is too gigantic a thing to be done frequently. It costs too much, even when the enumerators who do it are doing something else at the same time and making other investigations for other branches of the census work. They are paid 20 cents for each farmer.

Mr. MANN. Has there been any report by the census as to the cotton crop?

Mr. HYDE. Yes, sir. The agricultural division of the Census Office issued a report a few months ago on the cotton crop of the year 1899. That is an illustration of the difference between the two systems.

Mr. MANN. Do you base your comparative figures upon the census at all?

Mr. HYDE. No, sir; I wish that I could, very much.

Mr. LOVERING. You do make final statistics, final statements. Where do you get them?

Mr. HYDE. We get them in a general way from the same agencies which are employed during the growing season on the conditions, and

we put a very much larger agency in operation to get those figures than we do during the growing season, because we have not tabulated them.

Mr. LOVERING. Your figures are made up to the 1st day of December. That is for the crop season?

Mr. HYDE. For cotton only.

Mr. LOVERING. And you give final figures then?

Mr. HYDE. On the 3d of October we issue our last report on the condition of the cotton crop in the percentage of the full crop, and two months later we call upon the ginner, individual planter, and merchants and bankers, in addition to those men who have been reporting during the growing season, and their figures are all tabulated separately; not thrown in hotch-potch and one grand average brought out, but they are brought together in separate columns, parallel columns, so that I can see what each set of figures is.

Mr. LOVERING. Does that tally with the census aggregate?

Mr. HYDE. It has come pretty close to the census aggregates. The agricultural division of the Census Office has issued nothing on the cotton crop except for the year 1899. It is the manufacturing division of the census that collects the statistics from the ginner. It is doing so now, not the agricultural division.

Mr. RICHARDSON. What has your information, as an average, been as to the time when the crop of the South first began to go into the market, when bales, cotton bales, were being sold?

Mr. HYDE. How is that?

Mr. RICHARDSON. When the cotton is ready for the market—what is the earliest time?

Mr. HYDE. It varies considerably. This year, taking the country as a whole, it was about three weeks earlier than the average. Nearly 200,000 bales of the present crop were marketed prior to the first of September, when the new cotton year begins.

Mr. RICHARDSON. Do you not know it to be a fact that in order to be of any benefit to the farming interests of the South your estimate has to get in within a certain time, for the reason that the farmers are generally compelled to sell their crop and dispose of it in order to meet their debts by a certain time?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. And if the Department does not have that information in and give it to them within a certain time, they can not possibly get the benefit of it?

Mr. HYDE. Yes, sir; that is a fact.

Mr. MANN. That is the reason you publish your information as you do in regard to the conditions?

Mr. HYDE. We publish that for cotton and for all the other products.

Mr. MANN. I know; but that is the reason you publish your opinions in advance?

Mr. HYDE. Yes, sir.

Mr. RICHARDSON. And do you not know it to be a fact, and act upon that as a common-sense proposition, that the farmer wants to get just as much as he possibly can for his cotton, and the spinner or speculator, as we call him, wants to give as low a price as possible; don't you know that to be a fact?

Mr. HYDE. As a general thing.

Mr. RICHARDSON. Every man who manufactures the cotton wants to get it just as cheap as he can, and every man who produces it—raises it—wants to get as high a price for it as he can; and the farmer, by reason of his debts and obligations, is forced to put his cotton on the market at a very early day, and unless he gets the benefit of these statistics you speak of, then they are entirely in the hands of the speculator, who gets the benefit out of it and not the farmer.

Mr. LOVERING. You do not claim, and would not say, that the farmer had any greater demand on the Department than the spinner would?

Mr. HYDE. Well, the spinner can look after his own interests a good deal better than the farmer. That is no reason that we should make the crop one bale less or more than we believe it to be.

Mr. ADAMSON. What bureau or division have you in that Department that we could transfer to the Department of Commerce?

Mr. HYDE. I do not know of any, sir.

Mr. ADAMSON. If we do not take this division of statistics, you can not help us any?

Mr. HYDE. No, sir; I think not. The Secretary takes the ground that the statistical work of the Department is as purely statistical in regard to agricultural products as in regard to botanical. The Department of Agriculture is not made up, like some other departments, of a number of bureaus, divisions, and offices having very little in common and put where they are solely for administrative purposes, but they all have a common end in view, the advancement of the commercial interests of the United States. In the division of statistics we do a great deal of work for other branches of the Department. We tabulate the amount of standing timber on Government reservations for the Bureau of Forestry, because our clerks are trained to mathematical work. We make estimates and we tabulate chemical analyses for the Bureau of Chemistry, and the Secretary asked me to say to this committee that if Congress should see fit in its wisdom to transfer the statistical division of the Department of Agriculture to the department of commerce, he would be obliged to organize a force to do that work they are now doing in the Department of Agriculture.

Mr. MANN. You know that it has been repeatedly stated, not only in conversation, but in your reports many times by Secretaries, that the work of your Department was being done by other departments of the Government. In other words, there was a duplication of statistics. That is what we want to know. Is there?

Mr. HYDE. No greater mistake could be made.

Mr. MANN. You claim to be thoroughly informed as to that matter?

Mr. HYDE. I am thoroughly informed. There is absolutely no duplication.

Mr. MANN. You state that there is absolutely no duplication?

Mr. HYDE. Absolutely none.

Mr. MANN. Of the statistical work done by any other bureau of the Government?

Mr. HYDE. Absolutely none.

Mr. RICHARDSON. You acquire your knowledge in a different way—a different mode and manner—from any other statistics taken?

Mr. HYDE. Absolutely; yes, sir.

Mr. LOVERING. Where does your work end with the live stock of the country?

Mr. HYDE. When does it end?

Mr. LOVERING. Where does it cease to become an agricultural product and become a manufactured product?

Mr. HYDE. We report only on the number and value of farm animals. We do not report on the number of hogs and cattle and sheep, and so forth, or the amounts shipped to Chicago.

Mr. LOVERING. You make up the value of the agricultural products of the country?

Mr. HYDE. Yes, sir.

Mr. LOVERING. In doing that, where do you end with the live stock—with the beef animals, and the hogs, and so on?

Mr. HYDE. With the number on the farms on the 1st day of January.

Mr. LOVERING. When they go to the market you do not follow them?

Mr. HYDE. No, sir.

Mr. LOVERING. Your consideration of them ends there?

Mr. HYDE. Yes, sir.

Mr. LOVERING. And after that it becomes a manufactured product?

Mr. HYDE. Yes, sir.

Mr. LOVERING. And it is so in the census?

Mr. HYDE. Yes, sir.

Mr. LOVERING. So that the manufactured products of this country exceed the agricultural products by many billions of dollars—four billions of dollars?

Mr. HYDE. Of course, in a comparison of that kind the process of manufacture adds considerably to the value of the raw materials, and if you say that the value of the manufactured products of the United States exceeds the value of the agricultural—

Mr. LOVERING. Of course you have to deduct—

Mr. HYDE. They cease to become part of the agricultural products and are called manufactured products.

Mr. LOVERING. I mean after deducting the price paid at the stock-yards for the cattle; after that, they go forward as products of manufacture, to the country.

Mr. HYDE. Yes, sir.

The CHAIRMAN. Is that deduction made in making those estimates?

Mr. LOVERING. It is.

The CHAIRMAN. I never heard that before. Is it the same way in the manufacture of cotton and in the manufacture of textiles?

Mr. LOVERING. Recently, ginning is becoming such a scientific process that they have taken the cotton at the gin, and called the ginning a manufacturing process, and its product a manufactured product. They did not formerly do that.

The CHAIRMAN. Then is it counted again when it is manufactured?

Mr. LOVERING. No, sir; because the price of the cotton is taken out of that. Everything is counted in that except the net value of the cotton after it has been paid for and the labor has been paid for at the gin.

The CHAIRMAN. As a matter of fact, the cost of the cotton through the process of ginning would be 1 or 2 per cent?

Mr. LOVERING. More than that.

The CHAIRMAN. Say 3 or 4 per cent. And the per cent of that value transfers the cotton into the estimates of manufactures?

Mr. LOVERING. Yes, sir; and it makes the estimates of manufactures exceed the agricultural estimates.

The CHAIRMAN. I should think it would.

Mr. MANN. Do you count into the manufactured product the total value of the cotton at the gin, or simply the increased value?

Mr. LOVERING. Simply the increased value.

The CHAIRMAN. The increase of value, or the increased value?

Mr. LOVERING. No, sir; the increased value. Taking, for instance, cheese. I hope you will excuse me for interpolating this discussion here. Cheese was formerly an agricultural product from the time it was shipped to the market from the dairy. Now these great cheese factories manufacture \$300,000,000 worth of cheese, and that cheese made by these factories is called a manufactured product to-day. Ten years ago it was not called so. It was not so counted. Do you count that, Mr. Hyde?

Mr. HYDE. We do not report on cheese. Ten years ago the cheese which was made on farms was reported by the census as an agricultural product and the cheese made in cheese factories was reported as a manufactured product.

Mr. LOVERING. That is what I mean.

Mr. HYDE. The dairy-made cheese the bureau reported as an agricultural product and that made in creameries as a manufactured product.

The CHAIRMAN. How about flour?

Mr. HYDE. Flour is a manufactured product.

Mr. ADAMSON. The Census also has a bureau or division which reports the manufactures and every other line of production. Why would it not be more homogeneous and effective and economical to get the Census Office to make all figures in regard to all those matters?

Mr. HYDE. The Census would have to entirely change its methods.

Mr. ADAMSON. Then let us change the methods.

Mr. HYDE. The Census method is that of the farm visitation, the mere collection of statistics of which involves a million dollars, and then another million dollars and two years of time are required for their tabulation.

Mr. ADAMSON. There is no monopoly in methods. We can change the methods, if desirable. Do you not think it would be better and more desirable if one department, equipped for the work, took all those estimates, all those figures?

Mr. HYDE. I think it would be better if a complete agricultural census were taken by the Census Office every five years instead of every ten years, and if in the other eight years, or ten years, or four years or five, an estimate were made by the Department of Agriculture on the present plan, with such improvements as may be found practical from time to time.

Mr. ADAMSON. To have practical value either to the producer or consumer or to the intermediaries, the reports of the crop division, I am insisting, ought to be made even oftener than you make them.

Mr. LOVERING. Does not the Bureau of Statistics collect those facts every year?

Mr. HYDE. The Bureau of Statistics of the Treasury Department?

Mr. LOVERING. Yes.

Mr. HYDE. No, sir.

The CHAIRMAN. The hour of adjournment has arrived. Unless a desire is expressed on the part of the committee to continue the examination of this gentleman, I believe this closes this investigation.

(Thereupon, at 12 o'clock m., the committee adjourned.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Friday, December 12, 1902.

The committee met at 10.30 o'clock a. m., Hon. William P. Hepburn in the chair.

STATEMENT OF HON. F. P. SARGENT, COMMISSIONER-GENERAL OF IMMIGRATION.

The CHAIRMAN. What is your official position?

Mr. SARGENT. Commissioner-General of Immigration.

The CHAIRMAN. Will you give the committee your views with regard to the propriety of the transfer of your Bureau to the new Department of Commerce?

Mr. SARGENT. The understanding which I have of this Department of Commerce is that it is intended to be the department to which all matters affecting labor will be assigned. It seems to me that the Bureau of Immigration at the present time is the most important Bureau of the Government representing the interests of labor, having the enforcement of the alien contract labor act and also the Chinese-exclusion act, which labor is particularly affected by, as well as interested in, and I have understood that there was a desire to embrace in this department such subjects as directly affected the labor interests of the country.

From that standpoint I believe it would be a great advantage to the Bureau of Immigration if assigned to the Department of Commerce, in order that it might come into close association with whatever bureau might be assigned as the representative bureau of labor. The secretary of that department, or the Cabinet officer of that department, must of necessity have control of the features of it which represent labor particularly if a labor bureau would be assigned to it, and it seems to me that that same officer could more effectually direct immigration affairs, so far as they relate to labor, than in an independent department, as now. That is, from the standpoint of labor.

We find ourselves to-day seriously handicapped in the enforcement of the immigration laws by virtue of being in close association with the customs division of the Treasury Department. In many localities where the duties devolve upon the collectors and the deputy collectors of customs of enforcement of the immigration laws, and more especially the enforcement of the Chinese exclusion laws, the collectors seemed to feel as though the immigration affairs were secondary, and they oftentimes seem to think that the enforcement of these immigration laws, or Chinese-exclusion laws, interferes somewhat with the business of their port—that is, it rather acts against their business interest with respect to the transportation interests they represent, the collections they represent; so that there are many instances where there is conclusive evidence that the enforcement of these laws is neglected, because they feel that they are of secondary consideration and not of such vital importance as the duties of collecting customs. Hence the interests of the country suffer thereby. This has become so important a matter with me that I have been considering with the Secretary of the Treasury some medium whereby the interests of the Bureau of Immigration could be segregated from the customs service.

Now, we are required to enforce these laws, and are held responsible for the enforcement of these laws by the act itself and by the Government, and yet we have to do much of our work through the collectors of customs, and if they do not take an interest in the enforcement of the laws we are hindered and the laws become ineffective. This is true to-day along the Mexican border, where there are scores of peons being surreptitiously brought into this country to work at wages of 25 cents a day, American money, and we are having considerable difficulty in interesting the collectors in the importance of the enforcement of our laws along that particular border in order to avoid the flooding of that particular section of our country with this cheap or peon labor and thereby driving out a better class of labor which would of necessity seek openings in that new country.

The Chinese-exclusion act, which is of vital interest to labor, and especially to the Pacific coast, is in many instances of no effect simply because we can not get support in the enforcement of the act from the collectors of customs. They say, "To enforce the Chinese-exclusion act hurts the commercial interests of our port from a commercial standpoint," which is no doubt because the transportation companies are exceedingly desirous of this Chinese business; they want the business, and they use their influence on the collectors, with whom they come in closer touch than they do with the officers of the immigration service, and that influence is shown in the lack of interest shown on the part of the collectors of customs in the enforcement of the law. There are officers of the customs service who are quite the opposite—vigorous, earnest, and desirous of the enforcement of the laws—but the majority of them are entirely indifferent, and they have said to me, nearly every one of them, "We wish you would find a way to relieve us of this work; we do not want it. It hurts our other interests here; it is detrimental to our port, and we do not want the business."

It seems to me if a new department of commerce should be created, some advantages would be gained by the transfer of the Bureau of Immigration to that new department, in order that all the interests affecting immigration, which deal largely with transportation companies, with the commerce of the country, could be handled directly with the representative of that department, that cabinet officer; that we could much more effectually enforce the laws, especially the Chinese-exclusion act, if we were separated from the customs service entirely, and put in a new department and privileged to work directly under the secretary of commerce.

There is this, however, that should be considered, in my judgment, in connection with this matter. It occurred to me whether or not the secretary of commerce would not at times be somewhat embarrassed by virtue of his close association with representatives of the commercial interests, the transportation interests, which are very much opposed to the rigid enforcement of the immigration laws and the Chinese-exclusion laws, and I believe that that fact should have some consideration in connection with the transfer of this bureau. It seems to me, however, that in a general way, taking all things into consideration, the Bureau of Immigration would be benefited by segregation from the customs service, and to segregate it from the customs service it seems to me the opportunity is afforded to do that most gracefully, and with the best possible results, by transferring it to the new department.

I want to say this, however, in justice to the Treasury Department, that our relations are exceedingly pleasant with Secretary Shaw and his assistant secretaries, and from a personal standpoint I would regret a separation. But so far as administering the laws of the Bureau of Immigration and the Chinese-exclusion act are concerned, especially the latter, I am satisfied from my short experience that it would be a great benefit to the Bureau of Immigration, if the new department is created, a Department of Commerce, if it was assigned to that department.

Mr. DAVIS. Mr. Sargent, you are now with the Treasury Department?

Mr. SARGENT. Yes, sir.

Mr. DAVIS. And you are dependent, in the enforcement of the immigration laws, very much on the customs officers, as I understand.

Mr. SARGENT. In many localities; yes, sir.

Mr. DAVIS. Would you not always be so? If you were transferred to the Department of Commerce, to be created, would you not still, unless you had a separate set of officers, be dependent on the customs officers?

Mr. SARGENT. We certainly would, unless in the transfer the laws were changed so as to relieve us of any association with the customs officers.

Mr. DAVIS. Then, as the customs officers are under the control of the Secretary of the Treasury, are you not better off in the Treasury Department, and will there not be less conflict than there would be if you were transferred to the new department?

Mr. SARGENT. If, sir, we were to be continued as part of the customs service and associated with the customs service, it would be far better for us to remain with the Treasury Department. What we would desire, if the transfer was made to the new department, is that the laws be so changed that we have no connection whatever with the customs service, and I think it ought to be that way, to most effectually administer the law.

Mr. DAVIS. Then you mean you want your own officers?

Mr. SARGENT. Yes. Just as we have them now. We have our own officers at all these ports; but there are certain places where the collector of customs is the supervising officer, and everything has to go and come through him.

The CHAIRMAN. Is that not nominal rather than real? The collector never does act, does he?

Mr. SARGENT. Very seldom.

The CHAIRMAN. Wherever there is a matter of dispute it is always settled by you?

Mr. SARGENT. It is always done by his deputies.

The CHAIRMAN. It comes to you?

Mr. SARGENT. Through the collector of customs.

The CHAIRMAN. There would be no difficulty at all in having one of the officers of your Bureau to issue the orders that are now issued by the collector?

Mr. SARGENT. None whatever.

The CHAIRMAN. With the privilege by you of appeal?

Mr. SARGENT. Yes, sir; none whatever.

Mr. COOMBS. In relation to that, let us see. Take the execution of the Chinese exclusion law.

Mr. SARGENT. Yes, sir.

Mr. COOMBS. A Chinaman is landed in San Francisco.

Mr. SARGENT. Yes.

Mr. COOMBS. He goes before the Chinese bureau.

Mr. SARGENT. Yes.

Mr. COOMBS. That belongs to your department?

Mr. SARGENT. Yes.

Mr. COOMBS. He is examined there and reported upon, and that report goes to the collector of customs. He belongs to another department?

Mr. SARGENT. Yes.

Mr. COOMBS. And he is not to be transferred to this department with you?

Mr. SARGENT. No, sir.

Mr. COOMBS. And he passes finally upon it, under the present law, and says whether that Chinaman shall land or not?

Mr. SARGENT. Yes.

Mr. COOMBS. There is no judicial appeal, except there is an appeal to the Secretary?

Mr. SARGENT. Yes, sir.

Mr. COOMBS. So that the final decision as to the landing of that Chinaman, as to the ultimate administration of the exclusion law, rests, and under this Chinese exclusion law must rest, with the Treasury Department. Is not that so?

Mr. SARGENT. As the situation now is, yes.

Mr. COOMBS. I am getting at the practical question. I agree with you in theory. If we could make a law transferring all of these things, doing away with the jurisdiction of the customs officers, that would be all right, but we are not doing that. We are leaving intact the Chinese exclusion law, but we are simply making a transfer of your department, leaving the ultimate tribunal in the Treasury Department. You are cutting yourself right in two. The initiative jurisdiction is with you; the ultimate jurisdiction is in the Treasury Department.

Mr. SARGENT. Yes, sir.

Mr. COOMBS. They have the machinery and everything?

Mr. SARGENT. Yes, sir.

Mr. COOMBS. Now, how can you do that?

Mr. SARGENT. That should not be done. If you are going to make the transfer, it should be in its entirety.

Mr. COOMBS. It is your opinion, then, that that must not be done for the proper administration of the exclusion law; that there must not be that separation of jurisdiction?

Mr. SARGENT. Unless you can separate it in its entirety from the collector of customs.

Mr. COOMBS. We are not doing that, though. Here is the proposition: If we should substitute some officer for the collector of customs, some officer of your department, who would have the ultimate jurisdiction and an appeal lying from him to the Secretary of Commerce, that would be all right; but we do not do that. We do not go that far. We do not amend the exclusion law at all. We simply transfer a part of it, a part of the administrative feature of it—that is your department—leaving the head of it on the other side, so that you have two departments with which to deal in the administration of the exclusion law. The Treasury Department—the collector of customs—decides as to the landing, and an appeal lies to the Secretary of the Treasury, who has superintendence over the officers in San Francisco, the police force, the inspectors.

Mr. SARGENT. Not the marine inspectors.

Mr. COOMBS. That is a department by itself?

Mr. SARGENT. Yes.

Mr. COOMBS. That is true, but with reference to all the other things he has a superintendence, and I will read you the language in this bill, because I am anxious about it and I want to get it right. I have not any feeling about it; and I agree with you that there should be a transfer. Here is the language:

That the jurisdiction, supervision, and control now possessed and exercised by the Department of the Treasury over Chinese immigration * * * be, and the same hereby is, transferred to and vested in the Department of Commerce.

Now, that does not mean a transfer of everybody connected with it—that is, the collector of customs. Of course it would not be construed to do that; it would not be construed to take the collector of customs away from the Treasury Department and transfer him to this new department. But it would be construed to operate in so far as it could operate. Hence you simply would divide yourself. It would put you on one side of the river and the collector of customs on the other side of the river, both of you necessarily in the administration of the exclusion law. Do you think that ought to be done?

Mr. SARGENT. No, sir; I do not. I may say that the matter is now in the hands of the Attorney-General for a decision upon the question of law. It is believed that the Secretary of the Treasury has the authority now vested in him by the present act to appoint the agents to administer the Chinese-exclusion law at the several ports of entry. If that be true, we think that the Secretary will immediately proceed to designate officers to exercise the duties of those who are now in the discharge of the duties of Chinese officers, under the immediate supervision of the Bureau of Immigration, and at all these ports where the collector now has jurisdiction. That, if the Attorney-General decides that it can be done, and the Secretary proceeds to do it, will mean this, that the enforcement of the Chinese-exclusion act will be segregated entirely from the customs service, except in relation to the deposits of money as required, the moment that he takes that position. We have already asked a decision from the Attorney-General upon that particular point.

Mr. COOMBS. That does not touch the authority of the Secretary upon the landing of Chinese?

Mr. SARGENT. Yes, sir; it will. If the decision is that the Secretary has the authority to appoint his own agents, the same as he has the authority to appoint the immigration agents.

Mr. COOMBS. He would then appoint the immigration agents?

Mr. SARGENT. He would then appoint the Chinese immigration officers to superintend the landing of the Chinese where they are now under the collector.

Mr. COOMBS. I would like to have your opinion, as the head of your department, upon that law as it is right there, as it is proposed to be enacted; that section which I just read.

Mr. SARGENT. That section as you read it?

Mr. COOMBS. Yes; just as I read it.

Mr. SARGENT. I understand that if we were transferred under the provisions of that bill we would be under two department officers, the Secretary of the Treasury and the Secretary of Commerce; that we would be just split in the middle, and that would be very detrimental. We would much prefer to be as we are rather than to be transferred in pieces. Dividing the duties between two Cabinet officers would be

disastrous, I think, to the interests of the Bureau. It had much better remain as it is.

Mr. MANN. Could you, or your Bureau, Mr. Sargent, at once suggest what legislation would be necessary, so far as language is concerned, in order to transfer all the authority that you think ought to be transferred from the Secretary of the Treasury to the Secretary of Commerce?

Mr. SARGENT. I understand, sir, that it would require an amendment to the Chinese-exclusion act.

Mr. COOMBS. Exactly.

Mr. SARGENT. Which would simply put the duties upon the Bureau of Commerce of administering the Chinese laws, without reference to the collectors.

The CHAIRMAN. You would not have to amend that law any further than to say here in this bill that the duties now required to be performed by the various collectors of customs at the various ports shall hereafter be performed by such agents as the Secretary of the Treasury or the Secretary of Commerce shall appoint. Would not that cure it?

Mr. SARGENT. I should suppose, Mr. Chairman, that that would be all that would be required. I am not sufficiently familiar with the modes of procedure, with the methods in legislative affairs like this, to be certain.

The CHAIRMAN. And that if a final appeal were taken, it should be taken to the Secretary of Commerce instead of the Secretary of the Treasury, in case you were transferred?

Mr. SARGENT. Yes, sir; to the Secretary of Commerce.

Mr. MANN. It is quite certain that it would not be necessary to amend in terms the Chinese-exclusion law?

Mr. SARGENT. No, sir.

Mr. MANN. A change could be made in the bill enacted into law now?

Mr. SARGENT. Yes, sir.

Mr. MANN. But can you suggest to us exactly what changes would be necessary and possible of language, that ought to be incorporated?

Mr. SARGENT. I can do so, sir, if I am given the time to prepare it properly, and I would be glad to do it.

Mr. COOMBS. In connection therewith, would you not have to go through the acts of 1882, of 1892, and 1893, and all the original acts and amendatory acts? Would you not have to go through them so as to ascertain what is necessary with reference to the amendment?

Mr. SARGENT. Yes; I would look them all over, certainly, before I made any suggestion. I am merely stating the effects that would come to us if that could be accomplished—the transfer.

Mr. MANN. Do you have an immigration agent at every port?

Mr. SARGENT. Yes, sir; we have commissioners of immigration at all the principal ports. We have absolute control of the immigration matters.

Mr. MANN. Do you have an immigration agent at every principal port?

Mr. SARGENT. Yes, sir.

Mr. MANN. Now?

Mr. SARGENT. Yes, sir; several of them.

Mr. MANN. So that it would not require the appointment of any additional officials at those ports?

Mr. SARGENT. No, sir.

Mr. COOMBS. Yes, it would; certainly.

Mr. MANN. That is what I want to know; whether you have an immigration agent, or whether it is the collector of customs?

Mr. SARGENT. We have immigration officers—Chinese inspectors, Chinese officers—at every place of any importance whatever in this country where the collectors of customs are now in charge of the Chinese or have anything to do with the inspection of immigrants.

Mr. MANN. Has your bureau an immigration agent, different from the collector of customs, at each of the ports?

Mr. COOMBS. And borders?

Mr. SARGENT. Yes, sir; several of them.

Mr. MANN. Would it require any additional officials if the whole of the immigration act, with power over it, was transferred to you and taken away from the collector of customs?

Mr. SARGENT. No, sir; not any additional. It would require the appointment of men as commissioners at such ports as New Orleans and Galveston, but men who are there now as inspectors would be either promoted to commissioners or commissioners appointed for those stations.

Mr. MANN. The duties that now devolve upon the collector of customs could be transferred to some official of this bureau who is now located at each of these ports?

Mr. SARGENT. Yes, sir.

Mr. MANN. Without requiring any additional officials of themselves?

Mr. SARGENT. No more than we now have or would have if we continued in the same department.

Mr. MANN. How about the border line between Mexico and the United States and between Canada and this country?

Mr. SARGENT. The same would apply.

Mr. MANN. Does not a special agent of the Treasury give special attention to the immigration laws?

Mr. SARGENT. Merely to see whether we are doing our duty or not; that is all. Special agents are a sort of overlooker to see whether we attend to our business or not.

Mr. MANN. Is that so?

Mr. SARGENT. Yes, sir; as I am advised, because we have a large force of inspectors all along the border. Then we have a chief inspector at Montreal, and his assistants there, and all along the border line we have some two or three officers, according to the importance of the gateway or entrance.

Mr. MANN. Why do you say that on the border line of Mexico they are constantly running these peons across?

Mr. SARGENT. Simply because the collectors are not willing that our men shall take the aggressive action that they should take to keep them out.

Mr. MANN. Your men are not subject to the collector?

Mr. SARGENT. They certainly are.

Mr. MANN. The special men that you have down there?

Mr. SARGENT. Yes, sir.

Mr. MANN. In your Bureau?

Mr. SARGENT. The collectors are the ones that supervise the men at these stations. Take Eagle Pass, Tex. We have two inspectors there, and they are subject to the wishes of the collector.

Mr. MANN. Can they not work under the Bureau unless the collector tells them to?

Mr. SARGENT. Their orders come from me through the collector.

Mr. MANN. Does not the collector have to give to them the orders which you send?

Mr. SARGENT. Yes, sir.

Mr. MANN. He does not have any power in that respect—

Mr. SARGENT. He does not do it.

Mr. MANN. Over them?

Mr. SARGENT. He does not do it always.

Mr. MANN. He does not nullify the orders?

Mr. SARGENT. Very often he does.

Mr. MANN. Is that not cause for removal, if he refuses to transmit orders which his superior officer sends to him?

Mr. SARGENT. It is the subject of a great deal of correspondence between the Treasury Department and the collectors and the Commissioner-General of Immigration and brings about a great deal of friction. I have just come into the Bureau on the 1st day of July, you know, and I found this friction existing, and have tried to eliminate it as much as possible by trying to get along peaceably, and not incurring ill feeling between the customs officers and the officers of the Bureau of Immigration.

Mr. MANN. Do I understand that the officers of your Bureau on the Mexican border are so under the law that their own orders must come to them through the collector of customs and that you can not correspond with them directly?

Mr. SARGENT. Yes, sir.

Mr. MANN. Well, what do you mean by "Yes, sir?"

Mr. SARGENT. Yes; because those are the Department rules and regulations, that all correspondence to the officers under the collectors, where the collectors have charge, from the Commissioner-General of Immigration, must go through him—through the officers of the Bureau.

Mr. MANN. Through the collector?

Mr. SARGENT. Yes, sir.

Mr. MANN. You have to correspond with the collector?

Mr. SARGENT. Yes, sir.

Mr. MANN. What you want is to eliminate that correspondence and correspond directly with the officials of your Bureau?

Mr. SARGENT. Yes, sir. The law holds me responsible for the enforcement of the laws—the Chinese-exclusion act—and the Bureau of Immigration. I am held responsible for those laws, and yet I am not permitted to deal directly with my own officers, who have been appointed by the Secretary of the Treasury. I am not permitted to direct them individually as to what I desire them to do, but all the correspondence affecting their stations must be sent through the collector of customs, and all complaints, or any information desired by me, must come through the collector of customs to the Commissioner-General. I maintain that if the Commissioner-General is to be held responsible for the enforcement of the laws, he should be given the same power and authority that he is given in connection with New York, Boston, or any other station where we have absolute control of the immigration interests. The Chinese-exclusion act should be administered, in my judgment, by the Commissioner-General the same as the immigration laws. He has to have his officers there. Those officers are appointed by the Secretary of the Treasury, and I think that the Commissioner-General, if he is competent to enforce the law, should do it through the officers who have been selected for that purpose at the port.

Mr. MANN. Is that the case at New York?

Mr. SARGENT. At New York we have our own commissioners of immigration.

Mr. MANN. You are not subject to the collector of customs at all there?

Mr. SARGENT. No. At New York we have our own Chinese officers and do business with them directly. We have no association with the collector at New York, so far as that particular port is concerned.

Mr. MANN. Who passes on the landing of the Chinese?

Mr. SARGENT. We have no landing there. That is not a place where they enter.

Mr. MANN. You do not permit them to land there?

Mr. SARGENT. No, sir. We have our representative at New York, who has jurisdiction over a certain part of the Eastern territory, and the Chinese inspector, and all business is done with him.

Mr. MANN. Do you suffer any difficulty in New York by reason of friction between your Bureau and the collection bureau because your Bureau is entirely distinct from the collection bureau?

Mr. SARGENT. No, sir; not in New York. At New York the relations are exceedingly pleasant with the commissioner there, and we deal directly with him and have no correspondence with the collector.

Mr. MANN. If the collectors of customs were taken out of this business, would that result in the reduction of the salaries of your officers or would the present salaries continue?

Mr. SARGENT. I think the present salaries would continue, because I think the men who are doing all the work, while the duty of the collector is merely perfunctory, would continue to do the work, and I doubt very much if it would increase the salary roll any more than it would increase it if we continued in the Treasury Department.

Mr. MANN. How many officials have you in your Bureau?

Mr. SARGENT. I presume some 500.

Mr. MANN. How many inspectors at ports?

Mr. SARGENT. I could not give you the exact number.

Mr. MANN. Oh, no; I do not want that. Just give me an estimate.

Mr. SARGENT. I presume altogether we have in the neighborhood of 250.

Mr. LOVERING. The quarantine officers are all responsible to you?

Mr. SARGENT. No, sir; we have no association with the quarantine.

Mr. MANN. Your officials are all appointed through the civil service?

Mr. SARGENT. All except on foreign contiguous territory. There are a few officers in Canada who are appointed in Canada by the Secretary. They are at stations outside of the country. All appointments within the country must be under the classified service.

Mr. COOMBS. Whom would you designate to take the place of a customs officer to decide on these questions?

Mr. SARGENT. The inspector in charge. The most experienced inspectors that we have. Of course it would result in transfers. We would take the most qualified men.

Mr. COOMBS. The inspector has original jurisdiction now?

Mr. SARGENT. He conducts the business and does all the correspondence and submits it to the collector of customs.

Mr. COOMBS. Then you place in his hands the final jurisdiction of passing upon these questions?

Mr. SARGENT. No, sir; the final jurisdiction would rest with the Secretary of the Treasury.

Mr. COOMBS. He has appellate jurisdiction. I am speaking of the jurisdiction of this particular port. That would be placed in the hands of the resident inspector there?

Mr. SARGENT. Yes, sir.

Mr. COOMBS. Do you think that would be good policy?

Mr. SARGENT. Yes, sir; I think so, because it is now practically what is done.

Mr. COOMBS. That would be satisfactory to your Department, would it?

Mr. SARGENT. I think it would be satisfactory to the department we were assigned to. I do not think there is any question upon the part of the Secretary of the Treasury at the present time but what the separation ought to take place.

Mr. COOMBS. In the Department there, do you rely upon any particular officers—law officers or other officers—from whom you would be separated if this transfer was made?

Mr. SARGENT. We have our own law officer in the bureau here.

Mr. COOMBS. What Department does he belong to?

Mr. SARGENT. He belongs to our own Department. He is a Chinese inspector and an attorney.

Mr. COOMBS. Does he belong to the Department of Justice?

Mr. SARGENT. No, sir; he belongs to the Bureau of Immigration.

Mr. COOMBS. Yes.

Mr. SARGENT. And he is appointed as an inspector. On account of his legal qualifications he is assigned at the Bureau here to pass upon all the appeals to the Commissioner-General.

Mr. COOMBS. If your Bureau were transferred, would he go with the Bureau?

Mr. SARGENT. Right with the Bureau. He is an employee of the Bureau of Immigration.

Mr. COOMBS. Are there any other officers upon whom you rely in Washington here?

Mr. SARGENT. The Solicitor of the Treasury is an officer to whom we go for counsel, and I presume there would be the same sort of officer in any other department—the solicitor, whom we would come in contact with.

Mr. COOMBS. No; there is no solicitor in this new department.

Mr. MANN. It would not be long before they had one.

Mr. COOMBS. I assume that it would grow.

Mr. SARGENT. I presume any other department would have its solicitor. They all have, so far as I have been able to learn.

Mr. MANN. I suggest, Mr. Chairman, if it meets the approval of the committee, that Mr. Sargent be requested to formulate, as far as he can, the legislation that would be necessary in order to make this transfer if the committee decides that it is advisable to be made.

The CHAIRMAN. Without objection, Mr. Sargent will understand, if he pleases, that that is the request of the committee.

Mr. SARGENT. Yes, sir.

Mr. MANN. To whom are the quarantine officers responsible?

The CHAIRMAN. One moment. I understand, Mr. Sargent, that you could give us this information by this evening?

Mr. SARGENT. Yes, sir; I will mail it to you. The quarantine officers, Mr. Mann, come under the marine service—the United States Marine-Hospital, under Surgeon-General Wyman.

Mr. LOVERING. So that would not come under you?

Mr. SARGENT. No, sir; we have no association with the quarantine service.

The CHAIRMAN. You have certain officers furnished from the marine hospital?

Mr. SARGENT. Yes, sir; we have them at all stations, and they are appointed through the Marine-Hospital Service and are under their control.

The CHAIRMAN. There will be no difficulty in having that method continued?

Mr. SARGENT. No, sir.

The CHAIRMAN. If this transfer should be made?

Mr. SARGENT. I think not. I would not want you to take what I say as being with very much authority, because I am practically a new man here. I have only had a short time in Washington, and I have a great deal to learn; but so far as I have been able to discover, from consultations that I have had with the Assistant Secretary of the Treasury, I think there would be no difficulty whatever. It seems to us that the matter of transfer, so far as it affects our interests, can be done very easily, and the advantages are certainly going to be improved by virtue of the separation.

I regard the Bureau of Immigration as one of the most important bureaus of the Government, and it is growing more so every day, and I think the people are desirous of a rigid enforcement of whatever laws Congress may enact, and we have been, as I said at the beginning, seriously handicapped in many localities by virtue of the indifference of the collectors. They say, "We don't care anything about the Bureau of Immigration; that is a secondary consideration." Letters and communications lie three or four days on a deputy collector's table before our inspectors get them. We find in going about the country that instructions and regulations issued to our officers have not been brought to their notice except by verbal instructions. They are unfamiliar with their duties because these things have not been impressed upon their minds. They have been left outside, as it were.

I believe our Bureau is entitled to as much consideration as any bureau of the Government, and it should not be thrown to one side as a secondary consideration, because it is not. It is of great importance, and we are struggling as best we can to bring it up to that position which we believe it ought to occupy. And before I ever knew there was to be a department of commerce I urged upon the Secretary my views as to the segregation from the customs service, and I found him rather inclined to believe that my position was well taken; and as far as the Chinese-exclusion law is concerned, we are now awaiting a decision from the Attorney-General as to whether the Secretary has the power vested in him to make this change without an act of Congress. So it is a proposition that we have given a great deal of consideration to.

Mr. COOMBS. What law implies that you would have that authority?

Mr. SARGENT. There is a section of the last act——

Mr. COOMBS. We would like to get that.

Mr. SARGENT. I will send it to you. In that it refers to the Secretary of the Treasury being authorized to appoint agents for the administration of the Chinese-exclusion act.

Mr. COOMBS. I know that.

Mr. SARGENT. And it has been held by many that that act gave him the authority, I suppose with the consent of the President, it states,

to name who should be the agents at the respective ports to enforce the Chinese-exclusion act, and that is what we are awaiting a decision on. It was submitted to him three days ago.

Mr. COOMBS. Will you send us some of those copies?

Mr. SARGENT. Yes, sir.

Mr. RICHARDSON. Did I understand you to say that it would be proper to transfer to the Department of Commerce the health department?

Mr. SARGENT. No, sir. I do not know how they are affected by that.

Mr. RICHARDSON. You have not advised about that with Dr. Wyman?

Mr. SARGENT. I would have to advise with him before I could make a declaration on that subject.

Mr. RICHARDSON. I did not understand you correctly, then.

Mr. MANN. He said that they drew their medical officers from the marine service, and would draw them after the transfer the same as now.

The CHAIRMAN. If no other member of the committee has any questions that will close the hearing. Mr. Sargent, if you will give us your suggestions by to-morrow afternoon—to-morrow evening—we will be obliged to you.

Mr. SARGENT. I will do so; yes, sir.

Thereupon the committee went into executive session, at the conclusion of which they adjourned until to-morrow, Saturday, December 13, 1902, at 10.30 o'clock a. m.

Mr. Sargent submitted the following paper:

TREASURY DEPARTMENT,
BUREAU OF IMMIGRATION,
Washington, December 13, 1902.

Hon. WM. P. HEPBURN,

*Chairman House Committee on Interstate and Foreign
Commerce, House of Representatives, Washington, D. C.*

DEAR SIR: In further relation to the subject of my remarks on yesterday, I have the honor to submit herewith the draft of a section suggested as a substitute for section 6 of the bill S. 569, to establish the Department of Commerce and Labor.

You will note that the only changes made are the shifting of the words on line 25, page 5, "over Chinese immigration" and their insertion after the word "Alaska," on line 1 of page 6; and after the transfer phrase adding the words "including the authority conferred by the various acts in relation to the exclusion of Chinese upon collectors of customs."

The transposition of the phrases was made in order that the additional language suggested might be interpolated. The effect of such interpolation as the bill now stands, without specific provision upon that subject, would leave the Bureau without officers at the ports to discharge the functions now performed by collectors of customs, were it not that provision is made in section 2 of the act approved April 29, 1902, to supply such places, which provision is contained in the following terms:

SEC. 2. That the Secretary of the Treasury is hereby authorized and empowered * * * with the approval of the President, to appoint such agents as he may deem necessary for the efficient execution of said treaty and said acts.

This language would clearly enable, in my judgment, the head of the proposed new Department to supply the vacancies that would be

caused by incorporating the additional words that I have above suggested in section 6 in accordance with the arrangement shown by the inclosure.

Very truly, yours,

F. P. SARGENT,
Commissioner-General.

HOUSE OF REPRESENTATIVES,
Saturday, December 13, 1902.

The committee met at 10.30 o'clock a. m., Hon. William P. Hepburn in the chair.

STATEMENT OF HON. WILLIAM R. MERRIAM, DIRECTOR OF THE CENSUS.

The CHAIRMAN. Mr. Merriam, we have been considering the Senate bill providing for a new department, a department of commerce. It is contemplated in that bill to transfer the Census Department to this new Department, and the committee would be glad to hear from you on the general subject of the propriety of that change, any objections that might be urged, if there are any, and we would like also for you to discuss the propriety of the consolidation of the statistical agencies of the Government into one. We are now advised that there are some three or four or five, which results in the duplication of work. If you have any views upon that subject the committee would be glad to hear you.

Mr. MERRIAM. So far as the Census Office is concerned, I can see no objection at all to transferring it to the new bureau. In fact, in view of the possibility of concentrating in that same bureau other branches of governmental work, I think it would be a very excellent plan, and we should not object to it in any way. As to the general policy of placing the statistical work of the Government under one head, so far as my observation goes and the experience that I have had in connection with this work, I am fully impressed with the desirability of such action. There may be specific instances where it should not be done, but the tendency in all statistical work undertaken by the Government is inevitably to duplicate, this condition growing out of different plans to do the same kind of work, entailing necessarily additional cost and also resulting in more or less irritation between different branches of the Government pursuing statistical inquiries.

One of the advantages of the plan would be, in my judgment, that the public would have more confidence in statistics secured under one general plan than in those gathered in different bureaus, the continual contradiction and disagreement between statisticians, which is a very common thing, resulting in leaving the public in doubt as to the value of the statistics promulgated. My idea would be, generally, that these statistical branches of the Government should be transferred to this new department, and then allow the chief of that department to eliminate duplication and valueless statistics of production, and finally effect a harmonious arrangement that would be of great advantage to the Government, and of course very distinctly reducing the cost.

The CHAIRMAN. What bureaus or departments of the Government duplicate any part of the work that is done by the Census Bureau?

Mr. MERRIAM. It is duplicated largely in encroaching on one another's field—that is to say, the Census will have a little bit of a branch of the work, and another branch of a statistical office will touch on the subject, and while it is in very few instances duplicated as a whole, it is very likely to be duplicated in parts, because our modes of taking the statistics are different from theirs, as ours is decennial and theirs is annual. For instance, we are directed under the act of 1899 to take statistics of mines and mining. Now, the Geological Survey take mines and mining every year, but we have to add to our work certain facts to collect which they do not want, so that the year we take it we might as well conduct both branches of the work. We are now working together in ascertaining the facts relating to mines and mining.

REASONS FOR COORDINATING THE WORK OF THE STATISTICAL BUREAUS OF THE FEDERAL GOVERNMENT.

A number of these bureaus are engaged in original research. All work of this character should be conducted from a single office established for the purpose of gathering, compiling, and publishing all statistical information that is collected by the National Government, excepting such as may be essential to the administration of the separate Departments.

It is only by the establishment of a central office for the collection of statistics that uniform methods can be adopted—contradictory or inconsistent statements and duplications avoided in Government reports.

Different bureaus frequently call on the same manufacturing, commercial, or transportation company for information. In many cases this information is identical or of a similar character. For instance:

The Department of Labor gathers statistics from manufacturing establishments concerning rates of pay for each year during a series of years. The Census Office gathers the same information for rates of pay during the census years.

The Commissioner of Navigation of the Treasury Department gathers information for each year from shipowners and shipping companies as to the number and tonnage of the vessels, number of seamen employed, etc. Information of this character is obtained by the Census Office for the census years.

The Division of Statistics of the Agricultural Department calls on the cotton ginner for the quantity of cotton ginned, and the Census Office calls on them for the same information covering the same period. The Geological Survey collects statistics from mines as to the annual quantity and value of products, and the Census Office calls on them for the same information for the census years. Not only are the several bureaus of the Federal Government engaged in collecting statistics, but many of the States also have a force of agents in the field collecting similar information, which appears to be a useless expenditure. It is certainly an unnecessary annoyance to the private individuals and companies who furnish the information and who object to the preparation of numerous statements and schedules which might easily be avoided if the several departments of the Government were to combine and embrace all data upon a single schedule and send one person to collect all the report.

Under the present arrangement, two or more bureaus acting independently and engaged in original research will have a number of

agents in the field. These agents will cover practically the same territory and secure information on the same general subjects. A properly organized statistical office would be in position to send only one agent to the same field, gathering all the information at much less cost.

The CHAIRMAN. How do you work together?

Mr. MERRIAM. Of course you are well aware that it takes more or less machinery to collect these statistics through the medium of special agents who are familiar with the work, and the annual inquiry on the part of the Geological Survey has given them a facility in getting at the facts more quickly than the census could possibly do. They have the means at hand, and can secure results sooner than we, and consequently we utilize their information. We have just made an arrangement with the Geological Survey whereby we take mines and mining for the year commencing 1903 by using some 25 or 30 of their special agents, and we furnish the additional agents to do the work and the clerical force. This plan undoubtedly saves the Government a good deal of money. You understand we take additional facts in connection with that inquiry, and while they take it yearly, we take it once in ten years. They have data in their office that we can utilize in taking the mining census.

The CHAIRMAN. Do you ever find any difficulty in obtaining it?

Mr. MERRIAM. Oh, no.

The CHAIRMAN. Do they give it to you readily?

Mr. MERRIAM. Yes; but at the same time they much prefer to have us act with them in the matter.

The CHAIRMAN. Is there any of the statistical labor of the State Department that is a duplication of the census work?

Mr. MERRIAM. No, sir; I think not. They deal almost entirely with the consuls and the foreign service. We have had nothing of that kind assigned to the Census Office.

The CHAIRMAN. You have nothing with regard to foreign commerce?

Mr. MERRIAM. No, sir; our inquiries, such as we have made, have been entirely domestic.

The CHAIRMAN. Are there any duplications in the publications of the Agricultural Department and the Census Office?

Mr. MERRIAM. Well, I suppose that would be largely a matter of opinion. In the agricultural census we take our ordinary decennial census—we did the last time—and we obtain our information for every ten years through enumerators, which, of course, is the basic supply of nearly all census work.

Since we became a permanent office we have been making certain cotton inquiries, which we have conducted on a little different line from the other office, and as to whether it is a duplication is largely, I suppose, a matter of judgment. I suppose it would be in the sense that it strives to accomplish the same result, but arriving at that result through a different channel. Our method of taking the cotton inquiries is very different from that of the agricultural division, so different that I do not know that it can be compared at all.

The CHAIRMAN. What is the method that you use in regard to cotton in making these inquiries?

Mr. MERRIAM. History: The first successful effort at an enumeration of the cotton ginneries of the United States was made by the Twelfth Census. The statistics of the census year were taken upon a special schedule collected both through the enumerators and by correspondence. For the crops of 1900 and 1901 the Census Office

conducted successful canvasses by mail, and published reports of the crops in Bulletins 98 and 206, respectively. These three reports demonstrated the entire reliability of the reports of ginners as to the volume of the annual cotton crop and, furthermore, that this was the quickest source of this important information. Through the system of the commercial movement it is impossible to know the exact volume until September 1, the close of the commercial year. Through the ginners an actual annual count is made possible at the close of the ginning season, say the month of March, some six months earlier than is possible through the commercial system. Furthermore, it becomes possible through the ginners to ascertain the exact quantity of cotton ginned to certain dates throughout the season, which is valuable for future comparisons as well as reliable in reaching conclusions as to the comparative volume of the current crop.

It was in recognition of a general demand for a continuation of this work and for more frequent reports that there was incorporated in the Congressional act creating a permanent Census Office a provision for the collection and publication of weekly cotton statistics, as returned by the ginners, during the ginning season.

Organization: After a careful consideration of the provision for weekly reports, the Census Office came to the conclusion that it would be impracticable to perfect a trustworthy field organization in time to conform to the letter of this law for the crop of 1902. For this crop, therefore, it was undertaken to conform to the spirit of the enactment. Accordingly, an organization of the cotton-growing States was effected by appointing in each county showing as many as 10 ginneries a local special agent, whose duty it is to visit in person or by assistant the cotton ginneries in the territory charged to him, and imposes upon the agent the duty of making three reports of the cotton ginned from the growth of 1902 by the establishments in his territory.

Number of local special agents	626
Number of cotton-growing counties	770
Number of counties organized individually and in combination	685
Number of unorganized counties	85
Number of active ginneries in the 85 unorganized counties	217
Per cent of cotton crop of 1901 ginned in the organized counties	99.3

From the 217 ginneries in the unorganized counties reports are secured by mail.

The selection of these local special agents required the visit of a representative of the office to each county to be organized so as to inquire into the reliability of the nominees and instruct them as to their duties. This work was begun July 1 and was completed October 1 following.

Reports: The first canvass of the ginneries for the crop of 1902 was made during the week October 20 to 25, and the report issued November 5. The second canvass will be made between December 15 and 24 and the report issued January 5. A third and final report for this season will be issued immediately upon the close of the ginning season—possibly during the month of March.

Cost and scope of the work. The remuneration of these local special agents for the three reports of the crop of 1902 will be \$58,160, or an average per agent of \$93. Additional reports would cost approximately \$20,000 each. Five reports would cost about \$100,000. However, the expense would not be materially increased in obtaining through this field equipment statistics of the cotton-seed oil industry

and the acreage annually devoted to cotton. Hence with an expenditure of about \$100,000 the office would be able to issue monthly reports of the quantity of cotton ginned for the five important harvesting months. The final report would cover the total production and distribute same by counties. A report could be issued in May or June showing the acreage planted, and the report on the cotton seed oil industry could be issued possibly as early as March following the harvest. I am convinced that all interests would be best subserved by reports of this character. It would require comparatively little additional expense to also collect and compile statistics of the takings and consumption of the cotton mills of the United States. With statistics of production, consumption, and export figures in hand the country would know the quantity of cotton carried over from year to year.

I believe that weekly reports of the quantity of cotton ginned would be both unreliable and undesirable, because of the fact that a week is too short a period in which to make reliable comparisons as to this industry. Early or late crop conditions, favorable or unfavorable weather, rapidity or slowness in harvesting would so materially affect the quantity of cotton ginned weekly from year to year as to destroy its basis for comparison. A week is too short a period for these various influences to even themselves up. Monthly periods are short enough upon which to secure a safe basis for future comparisons. The cost of collecting weekly reports between September 1 of each year and February 1 following would be approximately \$440,000.

Ginneries.

Total active ginneries for the crop of 1899	29, 620
Total active ginneries for the crop of 1900	29, 214
Total active ginneries for the crop of 1901	29, 254
Total active ginneries as reported in October, 1902	29, 314
Total number of ginneries carried on our list, both active and idle	32, 351

To summarize: 1. The census method substitutes an actual count of cotton bales actually ginned for the estimates and guesses which are elsewhere made, and which must necessarily always contain the elements of uncertainty and error inseparable from the best organized system of estimating.

2. The census reports being an actual count, automatic in compilation, and susceptible of verification and proof at every stage, it offers no opportunity for manipulation of the figures for any personal or dishonest purpose, in any interest, and the personal equation or prejudice can play no part in the results. Every return, every tabulation sheet, every step in the compilation of the report is open, and any errors can be immediately detected.

3. It is a quick method of ascertaining the annual cotton crop, and it has already resulted in definite knowledge of the size of two successive crops, from three to five months earlier than this knowledge can be ascertained by any ordinary commercial methods.

4. It depends upon a paid service, the agents of the Census Office being held directly responsible for the accuracy of their reports. It is therefore a trustworthy method.

5. It is a method which will increase in value from year to year. The exact comparisons which will soon become possible between the cotton ginned to given dates for a series of years will supply a perfect indication of the relative size of each year's crop during the progress of the harvesting.

6. It is a method that can be gradually extended and developed, with comparatively little increase of expense, so as to include statistics of the cotton-seed oil industry, the acreage annually devoted to cotton, and the mill takings and consumption of cotton, thus making the reports a complete showing of the production and consumption of domestic cotton.

Mr. ADAMSON. Can you explain to me why it is that the Agricultural Department thinks that there are 40,000 ginnerers in the country and you report only 29,000?

Mr. MERRIAM. I can not. There are 32,351 on our records, but not all running.

Mr. ADAMSON. They report 40,000. There is a discrepancy.

Mr. MERRIAM. Yes, sir. I have before me a statement of the number of actual ginnerers in 1899, 1900, 1901, and 1902, averaging over 29,000. But the total number of ginnerers carried here, active and idle, is 32,351. That was from the most accurate estimate that we could make from the figures.

Mr. ADAMSON. Don't you think that it is accounted for by their having a duplication in their system or method of correspondence, so that two or more report the same thing?

Mr. MERRIAM. I do not think that it is the proper thing for me to criticise them.

Mr. ADAMSON. I am not asking you to criticise them. I want to get the facts. I think that is a legitimate matter of inquiry. They have a large number of volunteer correspondents.

Mr. MERRIAM. I don't know. I suppose there may be a large number of ginnerers reported who are still in existence, but who are not active—the gins are not running. Our list is a new list, and has been gone over so many times that it is essentially correct.

Mr. ADAMSON. What I want is to get accurate results and to get the truth about the crop. They have made their estimate, and there is such a great variance there between theirs and yours—between your figures and theirs—that I would like to hear it accounted for.

Mr. MERRIAM. I don't know. I have no way of accounting for it, I am sure. The number I reported here is all we could find.

Mr. ADAMSON. Then I want to ask you another question. You are a practical man. Of course it goes without saying that if you consolidate all the energies that are in two departments and put them into one, any business man can make more out of it. Is it possible for you or any other good business man conducting one of these departments or bureaus to so use your agents in the counties to confer with the ginnerers weekly as to cotton and other agents as to grain and other crops, so as to give us the information before the speculators get to work on the crops, in time to give the advantage to the producers?

Mr. MERRIAM. The crops vary. Undoubtedly we could give you a return from the ginnerers every week, and that was the intention when this bill was drawn. But you remember we became a permanent department on the 1st of July, and we could not organize it in time to do that for this crop.

Mr. ADAMSON. Are you preparing to comply with that provision of law?

Mr. MERRIAM. Yes; as rapidly as possible. Of course the difference in cost is very great. We have already got out one result. We shall get out another between now and the 1st of January, and then the third—

Mr. LOVERING. When will the third be?

Mr. MERRIAM. About the end of the ginning season; about the first days of March.

Mr. ADAMSON. Do you believe if one department had the control of the entire matter, leaving out entirely the question of what it would cost, you could place one man in each county who could communicate with each ginner every week and communicate that information to Washington, as to what the prospect is for the week?

Mr. MERRIAM. I could not say as to what the prospect would be, but I have no doubt that he could do that. But what it would cost is another question.

Mr. ADAMSON. What would that be?

Mr. MERRIAM. About \$450,000.

Mr. ADAMSON. That much per annum?

Mr. MERRIAM. Yes, sir; but it is doubtful if it would be wise to get a report out that often. The weeks vary so. There would be one week when the weather is bad, when there is no ginning at all, and the corresponding week next year opposite conditions would exist and bring different comparative results, which would be unreliable for future comparisons. And so the experience of my office is that once in two weeks would be often enough and really better for a comparison.

Mr. ADAMSON. What effort are you making to comply with that requirement of the law?

Mr. MERRIAM. We are getting our organization perfected. It was not deemed feasible by the best experts we could get to get this work out at first as readily as later on. It is quite an undertaking to do this. We had to organize in quite a short while, and we were not a permanent bureau until the 1st of July, and we had to send a large number of agents all over the South to pick out these local agents, and they had to be instructed in the work, and the fact that we were able to get out a report in ten or twelve days after taking the gins showed that it worked very well.

Mr. ADAMSON. Do you think it would be as cheap and effective to send these agents all around as it would be to put a local man in each county?

Mr. MERRIAM. Our method now is to put a local man in each county, and then, where the territory is beyond his possibilities, he has the right of taking expert help, and we allow him that help so as to cut down the time of making the return.

Mr. ADAMSON. Do you not think that if proper blanks were prepared he could arrange with the ginner to get those statistics to him so as to make it possible for him to report—

Mr. MERRIAM. I do not think it would be safe to trust to the ginner to send them in. Our experience is that if we trust them to attend to it by mail, they simply will not do it. They will not answer at all in many cases, and at any rate they would not answer on a uniform day.

Mr. ADAMSON. You could have a man in each county to see to getting these replies.

Mr. MERRIAM. Yes; that is what I have now, but the effort would be to cut the time down. You could see very well, and you must know from your own experience of the conditions in the State of Georgia, that there are many of those ginner pretty well back from the railroads.

Mr. ADAMSON. Well, they have telephones now.

Mr. MERRIAM. Yes; of course that would facilitate it.

Mr. ADAMSON. Of course these figures are good, but they are ancient history. They will do to speculate upon in the future, but what we would like to get is something to base figures on before we sell our crop. We would like to get it in time for this generation.

Mr. MERRIAM. It is possible under the system of special agents which has been inaugurated to send them around, say, in May to make an estimate, and a very close one—I don't know that it needs to be an estimate—of the acreage annually planted in cotton.

Mr. LOVERING. When you make your report in December you make it from absolute returns from the gins?

Mr. MERRIAM. Absolutely.

Mr. LOVERING. Then you do go on and put out an estimate based on the returns at that time?

Mr. MERRIAM. I have now before me a bulletin which we put out on the 5th of November. The cotton ginned up to that time was 5,525,000, and the estimate of the canvassing agents of the cotton remaining to be ginned—we disavow any responsibility for the estimate—

Mr. LOVERING. And how do you arrive at that?

Mr. MERRIAM. Through the agents that go around.

Mr. LOVERING. But you deal in percentages about that?

Mr. MERRIAM. No; we ask each agent to estimate through the information he can acquire as to the quantity of cotton ginned; and that is necessarily an estimate, of course.

Mr. LOVERING. Is that not based upon the percentage of a natural or average crop?

Mr. MERRIAM. No, not at all; but upon actual returns and cotton remaining in the fields and in barns.

Mr. LOVERING. Is it based upon absolute returns?

Mr. MERRIAM. We ask the agent in the county to go to each ginner and ask the ginner, and he finds out as nearly as possible, you may say, what cotton is still unginned.

Mr. LOVERING. That is an estimate?

Mr. MERRIAM. Yes, sir.

Mr. LOVERING. He has ginned so much, and expects in time to get a corresponding amount of unginned cotton as in former years?

Mr. MERRIAM. Yes; allowing for different conditions.

Mr. LOVERING. He makes his estimates in that way?

Mr. MERRIAM. I suppose so.

Mr. LOVERING. Tell me as to your estimate which you sent out in November, was it not?

Mr. MERRIAM. Yes, sir; the 5th of November. That includes the cotton ginned up to October 18.

Mr. LOVERING. How much did they vary, do you know, from the report of the Agricultural Department?

Mr. MERRIAM. Well, the report of the amount of cotton ginned and the estimate of the unginned cotton would have made the crop a trifle under 10,000,000. I think the Department's estimate was 10,400,000.

Mr. LOVERING. Do you know whether the Agricultural Department take any of their estimates from your figures or not?

Mr. MERRIAM. No, sir; I do not.

Mr. LOVERING. Might they not do so?

Mr. MERRIAM. Yes, sir.

Mr. LOVERING. After a certain date?

Mr. MERRIAM. Yes, sir.

Mr. LOVERING. And abandon their own processes?

Mr. MERRIAM. If they thought it wise. It would be much better for only one office to canvass the ginneries—less confusion.

Mr. LOVERING. I do not know that I ought to ask you if you would think it wise?

Mr. MERRIAM. That would involve my criticising a brother statistician. That I could not do.

The CHAIRMAN. Is there not an advantage that would accrue to the Government by having two methods of acquiring this information, entirely independent and distinct from one another?

Mr. MERRIAM. The practical difficulty, Mr. Chairman, is that when they disagree the public is likely not to believe either one of them.

The CHAIRMAN. Take the experiences of this year. It was suggested here the other day that very misleading information was published by one of the Departments of the Government in connection with the probable cotton supply. Could not that have been avoided somewhat if there had been two agencies at work at the same time, entirely independent, working upon the same matter?

Mr. ADAMSON. I think they have always had two widely divergent sources of guesswork on that subject.

Mr. RICHARDSON. I thought the object we had was to avoid duplication?

The CHAIRMAN. Of course that is desirable, in some respects, to avoid duplication; but is it altogether wise?

Mr. MERRIAM. I think so.

Mr. MANN. Is it wiser to take some one man's guess or to let everybody that has information guess?

The CHAIRMAN. Is it possible, as early as the 5th of November or the 1st of October, to have something more than a guess of what the cotton supply will be for that year?

Mr. MERRIAM. Comparatively, and no doubt approximately. Cotton is one of the crops that can be as carefully investigated as almost any of the great agricultural products, because it all goes to the gins. It finally goes either abroad or goes to the cotton mills, and by taking those three different sources of information and finding out the amount of cotton that is carried over from another year it is possible to arrive at it very accurately.

Mr. RICHARDSON. I was not in the room when you explained to the committee the mode and manner in which you selected the men who go to these ginneries and get up these statistics for you. I would like to know what is the test, what is the criterion, by which you select them?

Mr. MERRIAM. We sent some twenty men out of our own office, and divided the cotton territory up among them, and sent them down to each State to come in personal contact with the people and to select agents for each county.

Mr. RICHARDSON. Is it not a fact that where you have a man with a certain particular knowledge of a certain section of the country, you send him there?

Mr. MERRIAM. Yes, sir; I did that. I have a great many clerks in my office, and a great many from the South, who are familiar with that part of the country, and I sent them.

Mr. RICHARDSON. By sending these individuals down to this particular section they consult and advise in order to get up the methods of getting these statistics from the ginneries?

Mr. MERRIAM. They consulted county officials and men in banks, very often, as to who would make a desirable agent there.

Mr. RICHARDSON. And sometimes tax assessors?

Mr. MERRIAM. I do not know the details. I presume so.

Mr. RICHARDSON. I am inquiring because, as I will take occasion to say, I came into contact with your system over in northern Alabama, and had occasion to note the efficiency and thoroughness of this system. Judge Stevens was sent down there, and he has made over all that northern section a most admirable selection of men who are getting out those statistics, as it seemed to me. Have you suggested in your examination, Governor, or indicated, that it would be wise and advisable to transfer the business of the collection of these statistics to the Department of Commerce?

Mr. MERRIAM. I have suggested to the chairman that it would be advisable to concentrate in a Department of Commerce all the statistical departments of the Government as far as possible.

Mr. MANN. What pay do these country agents receive for getting these statistics up?

Mr. MERRIAM. They average about \$5 a day for the days actually employed.

Mr. MANN. They are paid by the day?

Mr. MERRIAM. That is the effect of it. We give them so much territory and so long to get the work in. Mr. Roper, who has charge as the statistician, tells me that it averages \$93 per county agent for the three reports of this crop.

Mr. MANN. How often do they make these reports to you?

Mr. MERRIAM. As I remarked to these other gentleman before you came in, when we became a permanent department on the 1st of July we did not have time to organize so as to make this year more than three reports, but the idea is to increase the number of reports as these agents become skilled in the work, so as to enlarge the field of work, and later on once a month, twice a month, and then possibly once a week.

Mr. RICHARDSON. And they have authority, if I understand it correctly—these agents that you appoint in the different counties—if the territory is too large for them to call in help?

Mr. MERRIAM. Yes, sir; they are obliged to do it. They call in all the help needed to finish the work in the limit of time, and it is a question of time in getting the work done, and they call in all the help needed, which they have to pay for out of the money that we allow them.

Mr. RICHARDSON. Did you collect these different statistics from the ginners?

Mr. MERRIAM. Right from the ginners direct, absolutely.

Mr. RICHARDSON. And those statistics were held private by the agents, and were sent through the agents to you?

Mr. MERRIAM. Yes, sir.

Mr. LOVERING. Is it your impression that more accurate estimations can be made by paid agents than by voluntary agents?

Mr. MERRIAM. Yes, sir. There is no doubt about that at all.

Mr. RICHARDSON. That applies to all the talent in the world.

Mr. LOVERING. In that case you regard the estimates of the Census Bureau as more accurate than those of the Agricultural Department?

Mr. MERRIAM. Yes, sir. The only estimates, however, that the Census Office makes are in the estimations of the amount of cotton in the hands of the people.

Mr. LOVERING. That is sufficient?

Mr. MERRIAM. Yes, sir.

Mr. ADAMSON. Is there not just the difference between a man

whose business it is and one who does not care whether he does it or not?

Mr. MERRIAM. I do not think that you can rely upon the statements of people who have no special interest in making them, and to obtain really accurate work I think the man should visit the place where these things are produced—where the cotton is ginned, for example.

Mr. ADAMSON. Do you think there is anything in the fear expressed the other day that the farming people would be jealous of and dubious about the figures presented by a department of commerce simply because it was a department of commerce?

Mr. MERRIAM. I do not think so.

Mr. LOVERING. Are you ever aware that efforts are being made to get prior information from the Census Bureau?

Mr. MERRIAM. No, sir.

Mr. LOVERING. They wait for your published reports?

Mr. MERRIAM. Yes. They are anxious—all the boards of trade are anxious—to see that the reports come out so that everybody is fairly treated. I had a letter to-day from the New Orleans Chamber of Commerce in relation to the one that we are to give out in a few days.

Mr. LOVERING. Who has the final handling of those?

Mr. MERRIAM. Mr. North. He is the chief statistician, and Mr. Roper has immediate charge of it.

Mr. MANN. When you say these agents down there are paid on the average \$5 a day, do you mean on the average for the year?

Mr. MERRIAM. No, sir; the average for the time employed; actual days. So that after all it is a short season, where they make only three reports.

Mr. MANN. How much time are they employed?

Mr. MERRIAM. Can you give me that, Mr. Roper?

Mr. ROPER. The allowance differs very much in different counties, dependent upon the area to be canvassed, number of gineries, and topography of the country. The average number of days allowed for this crop is about 19. Five dollars a day is the allowance made.

Mr. MERRIAM. It would be about nineteen days at \$5 a day.

Mr. MANN. Nineteen days in the year.

Mr. MERRIAM. That would have to be increased very much if we made more inquiries.

Mr. RICHARDSON. It is generally accepted, where a man takes that work down there, that he is not going to get more than \$100?

Mr. MERRIAM. Yes, sir; on an average, about \$100 this year.

Mr. MANN. Do you think that a man is likely to do any better work who does it for that pay than a first-class planter or business man down there who would do it for nothing?

Mr. ADAMSON. It is generally a man who has something else to do, and just picks up that much?

Mr. MERRIAM. Yes, sir.

Mr. MANN. The best men are not generally looking for jobs.

Mr. MERRIAM. These are very good men. Mr. Richardson can tell you the class of men that we have in that work.

Mr. RICHARDSON. I know of instances where the tax collectors do that work, and they go around collecting taxes and coming into contact with the people, and they visit the ginners and get it more accurately than anybody else could.

Mr. MANN. Where the agents spend only that much time the business must be largely transacted by correspondence with the ginners.

I should take it to be impossible for an agent to visit all the gins in that time.

Mr. MERRIAM. He can send as many people as he wants, and have them to go directly and communicate with them.

Mr. MANN. You would let him send a boy?

Mr. MERRIAM. We do not prescribe the actual years of the young man he would send, but presumably he would get the facts.

Mr. MANN. In an average county of fair size, if the ginner were scattered through the county, it would not be possible for a man to visit all those establishments without spending every day in the week at it?

Mr. MERRIAM. He is allowed, I think, ten days to do the work.

Mr. ROPER. Eleven days for the December report.

Mr. MERRIAM. Eleven days for this report—to collect the facts and get them here to Washington. If he can not get around himself, then it is his business to hire somebody to do it.

Mr. MANN. We are presuming now that you are working to the end of following out the law, which requires weekly reports. You estimate that it takes twenty days in all to make three reports a year. That would make quite a difference, of course. But would it be possible for one man down there in a county—

Mr. MERRIAM. No, sir; he would have to have some help. I have an estimate for doing this work once a week.

Mr. MANN. Why do you not permit this to be done by correspondence?

Mr. MERRIAM. Because they will not reply to the letters. When we first had to take these statistics from the ginner we tried it by correspondence, and we had to write three or four letters in many cases before they would reply.

Mr. MANN. That is, letters written from here?

Mr. MERRIAM. It would be the same with letters written down there.

Mr. MANN. Do you think that the agents down there, when they wanted to get in correspondence with a ginner, would have to send a man to him?

Mr. MERRIAM. Yes, sir; as a rule.

Mr. MANN. I think you are mistaken.

Mr. MERRIAM. I have not been down there; but I think that is the intent of the law—that they should.

Mr. ADAMSON. I think it is constructively that way.

Mr. MANN. I do not think they go to one in ten. They could telephone to them.

Mr. ADAMSON. Suppose they did telephone to them, would there be any difficulty in getting information?

Mr. MERRIAM. No; I suppose not. I think it would be much more—

Mr. MANN. You make an estimate giving the information as of October 18, three weeks before. Is that the best that you can do?

Mr. MERRIAM. No, sir; I could do it oftener.

Mr. MANN. Making it oftener would not make any difference. The fact that it is three weeks later is the point.

Mr. MERRIAM. Do you mean as to the time of making the report?

Mr. MANN. Yes.

Mr. MERRIAM. No, sir. We can do it much quicker after getting well under way, but we should have to use the telegraph more for very frequent reports.

Mr. MANN. Why use the telegraph? There is no place where they

raise cotton where it takes longer than two days to get information to Washington.

Mr. MERRIAM. We have got to tabulate these returns after they are sent here.

Mr. ADAMSON. It certainly would not take over forty-eight hours to tabulate the returns.

Mr. MERRIAM. From 626 agents?

Mr. MANN. It ought not to take more than twenty-four hours.

Mr. MERRIAM. We have to check each time the cards against office lists of ginners and against previous reports of the ginners.

Mr. MANN. But the information which you get is the information which comes from the ginners—is supposed to be. You have the ginners furnish the information to the agents and the agents to you. Certainly, it does not take three weeks to get that to the public.

Mr. MERRIAM. This is going to be taken all over the cotton States, 30,000 ginners, say next Monday morning, and we can not possibly get that in and get it before the public before the 1st of January.

Mr. MANN. That is exactly what I wanted you to say. I think that is the only excuse there is for the existence of the Statistical Bureau of the Agricultural Department. You aim to publish absolutely accurate, actual statistics. They do not wait three weeks to furnish an estimate.

Mr. MERRIAM. The Census Office appoints and holds responsible one agent in each county, but these county agents can have as many township assistants as they need to collect the information in as short a time as may be required. Hence absolutely accurate information is thus collected just as quickly as the estimates of the Department of Agriculture. The schedules of the Department of Agriculture for their December report were returnable November 20, and their report was issued on December 3—fourteen days to collect and compile.

Mr. LOVERING. It does not take them long to guess.

Mr. ADAMSON. They make estimates, and you furnish facts; that is the difference.

Mr. MANN. They furnish facts that they require, and furnish estimates on other things, and you furnish facts, too, but they are supposed to have an agent in every township, and you are supposed to have an agent in every county to visit every ginner in the county; and anybody can see that so far as possibilities are concerned they can get the statistics much quicker than you can. If a man has to visit every man in the county, it would take him a week to get around.

Mr. LOVERING. Can you tell whether any of the agents you employ are employed to give the same statistics to the Agricultural Bureau?

Mr. MERRIAM. I do not know. I suppose not.

Mr. LOVERING. Those are, in all instances, different men?

Mr. MERRIAM. Yes, sir. There may be instances where they have the same man, but I am not aware of the fact.

Mr. MANN. I suppose there would be no objection to it?

Mr. MERRIAM. Not the slightest.

The CHAIRMAN. I would think that if the two methods were to be continued, there would be an objection to having the same men. The only possible reason, it seems to me, for having the two systems of gathering information—the duplication—is that you may have less probability of improper purposes, and therefore if you are to continue the two I should think they ought to be entirely independent of each other.

Mr. MERRIAM. My own impression is that we have not any men working for us who do work for the Agricultural Division. That is my own impression. I do not know of any.

Mr. LOVERING. What is your impression, Governor, in getting at these figures, or what is the purpose in giving them out three times in the year?

Mr. MERRIAM. To show the actual volume of the cotton crop.

Mr. LOVERING. To show it? To what end?

Mr. MERRIAM. To the benefit of all interested in this staple.

Mr. LOVERING. Is it not more in the interest of the grower of cotton than in the interest of the user?

Mr. MERRIAM. No, sir; it is in the interest of both, I think.

Mr. LOVERING. In that respect, do you not differ from the Agricultural Department?

Mr. MERRIAM. Why, Mr. Lovering, I don't know that I quite understand you. In what way?

Mr. LOVERING. In that respect do not you work for both the planter and the spinner, whereas they avowedly work for the farmer—the planter?

Mr. MERRIAM. I don't know that our Department is in the interest of any one class of people—I think not.

Mr. LOVERING. That is what I thought.

The CHAIRMAN. Permit me a moment. Do you make that statement as to their avowed purpose—

Mr. LOVERING. From the record.

The CHAIRMAN (continuing). From a statement made here the other day?

Mr. LOVERING. Yes, sir; I think I do.

The CHAIRMAN. Then it seems to me that you are quite unfair. There was not any intention on the part of that man to make a statement of that kind. He disclaimed it; and, on the contrary, showed very conclusively, I thought, that the word "purpose" was inaptly used by him.

Mr. LOVERING. I thought he made a statement tantamount to saying that.

Mr. RICHARDSON. Is it not a fact that when the act was passed establishing the Census Bureau as a permanent bureau one of the most encouraging features of it was the prospect of the gathering of these statistics?

Mr. MERRIAM. I think that was one of the purposes. It was brought out in the form of an amendment to the original act.

Mr. RICHARDSON. That is my recollection.

Mr. MERRIAM. And the office has tried to comply as far as possible with that purpose.

Mr. MANN. You are an administrative officer?

Mr. MERRIAM. Yes, sir.

Mr. MANN. But not a statistician?

Mr. MERRIAM. No at all.

Mr. MANN. But you have had a great deal of experience in the administration of the census, in the collection of statistics, I take it?

Mr. MERRIAM. Yes.

Mr. MANN. From your judgment and the information you have acquired in that capacity, do you think that if the various statistical branches of the Government were consolidated into one, with the same amount of money now expended the Government could take

much more complete and much more accurate statistics than are now given out by the different branches?

Mr. MERRIAM. I have not any doubt about it at all, sir. And I think—if you will allow me I will add to that—that the Government would save \$500,000 a year.

Mr. MANN. Assuming that it was not the purpose of the Government to save the money, but that it is willing to expend it in the collection of statistics, would it be able to broaden the scope of the statistics as well as to increase the verity of the figures collected?

Mr. MERRIAM. That is my best judgment from the opportunities I have had of observation in the Census Office. The statistical branches of the Government now cost a little over \$1,700,000 a year, including the Census Office.

Mr. MANN. What is the appropriation this year for the Census Office?

Mr. MERRIAM. One million one hundred and seventy-eight thousand dollars.

Mr. MANN. That is more than half the cost?

Mr. MERRIAM. Yes, sir; the Census Office is the principal statistical bureau of the Government.

Mr. MANN. That is practically new?

Mr. MERRIAM. That is practically new.

Mr. MANN. That is practically new as a permanent thing?

Mr. MERRIAM. Yes, sir, as a permanent office; but you must remember that in the last decade these things that we are taking now were taken by the Census Office.

Mr. MANN. The Census Office ran five years.

Mr. MERRIAM. Seven years before the completion of the work.

Mr. MANN. They were not taking any statistics when I came to Congress.

Mr. MERRIAM. Their final volume was issued in 1897.

Mr. MANN. Yes; but in your judgment, now that this Government has provided this immense sum of money for taking the statistics through the Census Office, it would be wise to consolidate the various statistical branches into one, either by putting them together and modifying the conditions in the Census Office—

Mr. MERRIAM. I have no doubt about that.

Mr. MANN. The Bureau of Statistics of the Treasury Department publish various statistics which I suppose the Census Office also to a certain extent duplicates?

Mr. MERRIAM. Yes.

Mr. MANN. You are required to do that?

Mr. MERRIAM. We have more or less duplication with them.

Mr. ADAMSON. I suppose there is such a similarity that you could use one system of machinery and it would dispense with a good deal if you had it all.

Mr. MERRIAM. I have no doubt if the bureaus were all organized under one head there would be great saving in the help and the general plan to avoid duplication, etc.

Mr. MANN. We had laid on our desks the other day here a large volume of 330 pages of the report of the Supervising Inspector-General of the Steamboat-Inspection Service, most of which seems to be figures. Do you duplicate any of that work?

Mr. MERRIAM. The Commissioner of Navigation, do you mean?

Mr. MANN. This is not the Commissioner of Navigation, but the Steamboat-Inspection Service. We get the same thing from the Commissioner of Navigation. Most of it is statistics.

Mr. MERRIAM. We are ordered to take a decennial census of about all the things that the Commissioner of Navigation takes, a great many of the things that the Bureau of Statistics of the Treasury Department takes, and a great many things in connection with the Army.

Mr. MANN. You are ordered to take a decennial census?

Mr. MERRIAM. Yes, sir.

Mr. MANN. You have the machinery, and in operation, by which you could collect these statistics annually?

Mr. MERRIAM. Yes, sir.

Mr. MANN. Take the Labor Department. They produce a large amount of statistics.

Mr. MERRIAM. Yes.

Mr. MANN. Do you collect the same things?

Mr. MERRIAM. We collect quite a number of the same facts; yes, sir.

Mr. MANN. Are there any other branches of the Government which you think of, which you duplicate the work of, in the collection of statistics?

Mr. MERRIAM. We collect more or less of the facts collected by the public health and Marine-Hospital Service, and more or less of the same as those collected by the Bureau of Education and the departments that you have already mentioned, but you must bear in mind that ours is decennial.

Mr. MANN. Yours was decennial?

Mr. MERRIAM. Yes.

Mr. MANN. You are now permanent?

Mr. MERRIAM. We are now permanent, but a great many of these inquiries we are not required to take but once.

Mr. MANN. I understand.

Mr. MERRIAM. Some of them we take oftener.

Mr. MANN. What is it that you have to take oftener?

Mr. MERRIAM. Registrations of births and deaths, and we take that yearly, and of course we take cotton ginning.

Mr. MANN. How about manufacturing?

Mr. MERRIAM. It was originally decennial, but now we take it every five years; 1905 will be the next one.

Mr. MANN. What I wanted to get at is this: Whether it would be cheaper or less expensive to the Government to take it through the Census Office than through a separate department, when you have organized to take it once in ten years. Have you the machinery, then, in operation, and the organization perfected—

Mr. MERRIAM. Yes, sir.

Mr. MANN. Which will enable you to take the annual statistics more cheaply than it otherwise could be done?

Mr. MERRIAM. I think so; yes, sir.

Mr. MANN. You think it would be a saving to the Government to do it that way?

Mr. MERRIAM. Yes, sir.

Mr. LOVERING. If I may be permitted to reply to your inquiry, Mr. Chairman, I will call your attention to a few questions and answers given the other day. I do not desire to be unfair, but I desire to state it exactly as it is. I read from page 50, Mr. Hyde's testimony:

Mr. LOVERING. Are there any of these people who make these reports who are conceded to be in the interest of buyers?

Mr. HYDE. No; I do not think there are.

Mr. LOVERING. They are almost all in the interest of the planter himself?

Mr. HYDE. Yes, sir.

Then on page 52:

Mr. RICHARDSON. Is it not the purpose of your reports to prevent the speculator from depressing the price of cotton?

Mr. HYDE. Precisely.

Then on page 61:

Mr. LOVERING. You do not claim, and would not say, that the farmer had any greater demand on the department than the spinner would?

Mr. HYDE. Well, the spinner can look after his own interests a good deal better than the farmer.

Mr. RICHARDSON. He corrected that further on.

The CHAIRMAN. In another place he says that he should have used the word "result" rather than "purpose," and that that would be correct.

Mr. LOVERING (reading):

Mr. HYDE. Yes, sir. I suppose, using the word "result" instead of "purpose," that is correct.

Mr. RICHARDSON. Is not that plain?

Mr. LOVERING. But running all through this, Mr. Chairman, there is this evident purpose of Mr. Hyde to show that the reports are made to prevent the "speculator," as he calls him, from depressing the price of cotton.

Mr. MANN. I suppose that Mr. Hyde stated a patent fact, that that was the original reason that this was ordered.

Mr. LOVERING. The only thing to be said about that is that there are speculators on both sides of the market always, and therefore it is fair to eliminate that from the question. That is why I make the statement that I do now, Mr. Chairman.

Mr. RICHARDSON. I think if there is any misconstruction of that language it is more to be laid to me than it is to the man who answered me.

Mr. LOVERING. He answered it very positively.

Mr. RICHARDSON. He explained it by saying that if I had used the word "result" instead of "purpose" that would have been correct.

Mr. MANN. Governor, do you duplicate anything now in the statistical work of the Geological Department?

Mr. MERRIAM. The Geological Survey?

Mr. MANN. Yes.

Mr. MERRIAM. We take a decennial survey of mines and mining which is the same as theirs, only we go into it more largely.

Mr. MANN. In what respect larger?

Mr. MERRIAM. In the number of men employed, and many other things which I have not at hand now. That is a decennial inquiry.

Mr. MANN. Would it be easier for one department of the Government, either the Geological Survey or the Geological Survey turned into the new Department of Commerce, to take those statistics rather than to have two branches of the Government take them?

Mr. MERRIAM. Yes, sir; undoubtedly. One or the other should take it. There is no sense in both doing it.

Mr. MANN. You have a perfect organization to take those geological statistics?

Mr. MERRIAM. Yes, sir; we have to do that. I do not know whether you heard me, but I stated to the chairman that we are working together simply to save money.

Mr. MANN. Yes; I heard that; but what the people want is annual reports on the production of the mines, is it not?

Mr. MERRIAM. Yes; that is what they want.

Mr. MANN. The decennial reports, so far as they are concerned, except immediately after they are issued, are only useful for comparison with previous decennial reports?

Mr. MERRIAM. That is all; and thus go into a little fuller detail as to the number of men employed, and the wage question, etc.

Mr. MANN. I understand that your decennial reports will be of practically no value to the commercial interests five years from now?

Mr. MERRIAM. Probably not; I should say not.

Mr. MANN. And if those reports are to be published, they should be taken and published annually?

Mr. MERRIAM. That is my judgment.

Mr. MANN. Which the Geological Survey is now endeavoring to do; and you have to duplicate that work once in ten years?

Mr. MERRIAM. Yes, sir.

Mr. COOMBS. Supposing your department was transferred to the Department of Commerce, and the Geological Survey was still left in the Interior Department, how could you work together then?

Mr. MERRIAM. That would not make any difference. There is a comity between Departments. We could go to them and get this information. They take it annually and we take it decennially; and there are facts that they would get which we could use, because they are continually taking these statistics. It would not make any difference; in fact, the other Departments now are authorized and instructed to furnish the Census Office any facts it can make use of.

Mr. COOMBS. You do a part of their work? You do a part of the work of the Geological Survey?

Mr. MERRIAM. Either way you put it; we do a part of theirs, or they do a part of ours.

Mr. COOMBS. Yes.

Mr. MERRIAM. But it is really unnecessary for both to take these statistics.

Mr. ADAMSON. Why should not they be transferred to the new Department?

Mr. MERRIAM. That I would not like to say. There is something else involved besides the statistical branch in the Geological Survey. It is a very important department of the Government.

Mr. COOMBS. You would like to have each Department speak for itself?

Mr. MERRIAM. I would not like to say about that.

Mr. ADAMSON. If each one is to speak for itself, then we will get nothing for the new Department. The Census Bureau seems to be about the only one that is willing to come in.

Mr. MERRIAM. We are perfectly willing to come.

Mr. COOMBS. Do you not think it would be better for the collection of data and the dissemination of knowledge to have a mining bureau, into which could be merged the officers pertaining to the Geological Survey and the others?

Mr. MERRIAM. I do not know that there is any special advantage in that. The Geological Survey seems to fill about all needs in that direction.

Mr. COOMBS. Where can a person now go to get accurate and scientific knowledge of the field in Alaska?

Mr. MERRIAM. He can do it through the Geological Survey.

Mr. COOMBS. Can he do it through bulletins which are distributed to the public? A man can not come to Washington, you know, to get this knowledge.

Mr. MERRIAM. I think so. I am not fully posted as to that. It is a part of the work of that Bureau, and I would say that anything that would go to any other department could be gotten from there, and would properly come from there.

Mr. COOMBS. You are speaking of the Geological Survey?

Mr. MERRIAM. We are speaking of the mining department.

Mr. COOMBS. Are the duties of the mining bureau comprehensive enough to go ahead and gather information and knowledge and make scientific investigations and disseminate the same throughout the country to the people?

Mr. MERRIAM. I think so.

Mr. MANN. You would think so if you would read their annual reports.

Mr. MERRIAM. They have the people to do scientific work of the very best order. I do not think there is any doubt about that.

Mr. COOMBS. Is there anything in the way of legislation which could improve the utility and force of the Geological Survey?

Mr. MERRIAM. That is a matter that I would not feel competent to pass an opinion on. I am not sufficiently familiar with the work of the office to give you an opinion that would be of any value, but my general impression is that it is a first-class organization.

Mr. COOMBS. Yes.

Mr. ADAMSON. I do not think that you need be squeamish about criticising anybody. I would like to have you tell me the reasons why the Geological Survey should not be transferred.

Mr. MERRIAM. I do not think that there is any special reason.

Mr. ADAMSON. We want to get a basis——

Mr. MANN. They are closely identified with a part of the Land Office.

Mr. MERRIAM. Yes, sir; I do not know any reason why they should not be transferred.

Mr. ADAMSON. We want a practical basis to establish a department on.

Mr. MERRIAM. The statistical part of their work could be arranged to meet the new conditions, of course. I do not know, I am sure. The Interior Department could give you a much better idea of that than I can. I have utilized one of the best men that they have in connection with my work, Mr. Henry Gannet. He is the geographer of the Census, and one of the best men in his line in the United States.

Mr. ADAMSON. We have had them here, and you are the only man they are willing to part with.

Mr. MERRIAM. They are willing to let me go, are they?

Mr. ADAMSON. Yes.

Mr. LOVERING. I would like to ask you, do you make an estimate of the acreage of cotton growing?

Mr. MERRIAM. Do I make an estimate of the acreage?

Mr. LOVERING. Yes.

Mr. MERRIAM. No, sir.

Mr. LOVERING. You have nothing to do with that?

Mr. MERRIAM. No, sir. We gather our information entirely by enumerators, which is reasonably accurate, we think.

Mr. LOVERING. And you take no account of the acreage?

Mr. MERRIAM. We take account of it, but do not make any estimates on it.

Mr. LOVERING. You do not base your estimates on that?

Mr. MERRIAM. You mean in what regard?

Mr. LOVERING. In making up your estimates, you do not take into account the acreage—the acreage in the cotton section?

Mr. MERRIAM. The only estimate we make at all is an estimate made by the men who go around and take these cotton statistics. They make that themselves, and we do not know what they base it on. We ask them to estimate through the best channels they can get—through the ginner—what is left of the crop, that is, in bales. They probably use the acreage. We do not know.

Mr. LOVERING. That is what I wanted to know—whether the acreage under cultivation entered into those estimates.

Mr. MERRIAM. Yes, sir; I have no doubt about it.

Mr. STEWART. How do you account for the great difference—the substantial difference—between the estimates of the Agricultural Department and the Census Bureau?

Mr. MERRIAM. That has become rather an unpleasant controversy, and has been going on for some little time, and is not quite—

Mr. STEWART. Do you not think that the main vice in it is that the Agricultural Department are relying upon individual correspondents and interested parties there in the South, named by postmasters there in the South? Do you not think that is a vice of the system?

Mr. MERRIAM. I would not want to so characterize it. I would not wish to apply such a harsh name as that. I think all estimates are always dangerous of any product given to the public, and the fewer you can give the better you are off. I do not believe in the principle at all. They are never satisfactory to anybody. If they are too high they dissatisfy one set of men, and if they are too low they dissatisfy another. I think the nearer you can get the facts—and you can not get accurate facts in the collection of any statistics, I don't care where or how it is done—the nearer you can get those facts the better. We had an enumerator visit every farm in the United States, and we had everything checked back as to the number of acres on the farms in a county, and we found no less than three different estimates of the number of acres of cultivated lands in counties in different parts of the country. The maps called for a certain number of acres; the assessors called for another, and we found a third; so that you see it is not an exact science under any circumstances. I am not a statistician. That is just my personal opinion in the matter.

Mr. MANN. You know B. W. Snow, of Chicago?

Mr. MERRIAM. I have heard of him; I never met him.

Mr. MANN. He is a man whose estimate is taken as worth a good deal on the grain exchanges, and he claims that his estimates are more accurate than some of your figures.

Mr. MERRIAM. Will the committee allow me time just to go into that question a little bit?

Mr. MANN. I think it would be a good thing if you would do so.

Mr. MERRIAM. In the States of Minnesota and North and South Dakota in the census year, according to the returns made by the enumerators, there were about 197,000,000 bushels of wheat. There were four estimates made on that crop outside of the facts as we ascertained them. There was one man in Duluth—I think I have the exact figures here. I had them written out because I thought that it might be of interest to the committee, to show the difference not only among estimators, but among statisticians.

Now, the estimate of the Department of Agriculture in 1899 was 157,710,000 bushels. The Twelfth Census returns were 197,000,000

bushels, and the estimates made from the three different sources in Minneapolis and Duluth—I think two at Minneapolis and one at Duluth—made a difference of about three to one million bushels. There you have all there is about it.

Mr. MANN. You claim, of course, that your figures are exact figures.

Mr. MERRIAM. I claim that they are approximate. It would be very foolish to claim that they are exact. It is not true.

Mr. MANN. I do not mean to say that the reports are truthful in all cases which are made to you, but the figures that you get from the enumerators are exact figures. There is no estimate about them.

Mr. MERRIAM. Oh, no.

Mr. MANN. Mr. Snow says, and I believe others have called attention to the same thing, that in some of your reports you put in more acres under cultivation than there are acres in the county.

Mr. MERRIAM. I know, but that is not true. I do not think so, at least.

Mr. MANN. Mr. Snow, who is a man I happen to know, is a man very accurate about his figures. I would not say that a statement he made was not true.

Mr. MERRIAM. I do not think that is so.

Mr. MANN. Have you made an investigation on that point?

Mr. MERRIAM. Yes, sir; I have made an investigation, and I will be ready to present it to the public pretty soon on that subject.

Mr. MANN. It has not been presented?

Mr. MERRIAM. No, sir; because it is a matter of detail. I tell you, in the State of your chairman there are counties where the assessors report more land than there is on the map.

Mr. MANN. I know, but—

Mr. MERRIAM. That would make an apparent larger area—an apparent larger area to the crop than there is in the county.

Mr. MANN. Did you take those statements that show there are more acres under cultivation than there are acres in the county?

Mr. MERRIAM. Who is going to determine how many acres there are in the county?

Mr. MANN. That is not hard to determine.

Mr. MERRIAM. They all differ. That is just the point that I am making.

Mr. MANN. It may be very difficult to determine, but your estimate of the number of acres under cultivation you obtain from the men on the farms?

Mr. MERRIAM. Yes, sir; direct.

Mr. MANN. And nine times out of ten they do not know?

Mr. MERRIAM. When they check up with the assessors' returns, that is about as good proof as we could get. That is what we must depend on.

Mr. MANN. Yes; I have no doubt that you get as good evidence as you can get, but there would not be any means of getting it accurately?

Mr. MERRIAM. There would not be any way without making a special survey.

Mr. MANN. You would not have it, then, if you had a Government surveyor make the survey?

Mr. MERRIAM. It is a fact that it is impossible to get the areas, and we have a man who does nothing else but measure up those maps, and still—

Mr. STEWART. Do you have the enumerators inspect the deeds and conveyances in the land offices?

Mr. MERRIAM. No, sir; it would not be practicable. The time is too brief.

The CHAIRMAN. I lived in a town in Iowa once where two townships had been subdivided by the Government by two different surveyors. One fellow made his subdivision without any reference to the variation of the needle, which was 11° there, and we had in that county two sets of corners and of monuments, and a great many sales were confused in that way. We had a pretty serious time about it, and it shows that the Government can make mistakes in surveys.

Mr. MERRIAM. Yes, sir. We have been going very carefully over these counties where the apparent area is too great, by plats, but it is very difficult to get them—

Mr. MANN. I can understand easily how you could get a greater number of acres than there is in a county as being under cultivation. No farmer could give you any such accurate estimate as would be necessary. In the West, where they have the surveys by the Land Office and reckon forties and eighties and half and quarter sections, of course he would not take out the roads. If he has got a 40-acre piece under cultivation he calls it 40 acres, no matter if there are three roads through it.

The CHAIRMAN. There are other difficulties. Last Tuesday morning the town of Nebraska City was on the bank of the Missouri River and the next morning it was 3 miles away.

Mr. MANN. In a different State?

The CHAIRMAN. I remember three years ago that Hamburg was the port of entry for the town that I lived in. We used to get our merchandise there from the steamboat. It is now 8 miles from the Missouri River.

Mr. MANN. You speak of taking accurate statistics as to crops. Of course it is very important to the gentlemen from the South, and they are very much interested in the cotton crop. But the cotton crop is after all a secondary consideration as compared with the corn and wheat crops and the stock-raising business of the West and the South. You aim to get accurate statistics of those matters? You have to take the estimate of the farmer as to the amount of wheat and corn he has raised, in bushels.

Mr. MERRIAM. Yes, sir.

Mr. MANN. Of course you must know that the farmer does not know anything like accurately what his crop is?

Mr. MERRIAM. I think it is approximate, undoubtedly. It has to be so.

Mr. MANN. They sell all of the cotton crop, of course?

Mr. MERRIAM. That can be measured more accurately than any other that is grown.

Mr. MANN. But they do not sell the corn crop?

Mr. MERRIAM. No, sir; they feed it. It would be impossible to take those crops except approximately. You could with the wheat crop, but not with the corn crop. And you could not do anything at all with the crops of that nature without making a hand to hand count. That is an enormous undertaking.

Mr. MANN. You can not do it that way.

Mr. MERRIAM. That is an approximation. That is the only way that you can do it.

Mr. MANN. On our farm we cut up all the corn we can and put it into silos, and nobody knows how much there is there. All the rest that they can not put into silos during the time the corn is running

they cut, and that is shredded. Of course, if we were called upon to make a report by the census enumerators—

Mr. MERRIAM. They take the number of acres of corn they have, as near as they can.

Mr. MANN. I will guarantee that on the farm I am interested in nobody knows the number of acres under cultivation for a particular purpose.

Mr. MERRIAM. I dare say.

Mr. MANN. And I think it is the same way with most farmers.

Mr. LOVERING. Is any census taken of the cotton seed, Governor?

Mr. MERRIAM. No, sir. I think there is a resolution to be offered authorizing the office to take that.

Mr. LOVERING. It is a pretty valuable crop now?

Mr. MERRIAM. Yes, sir; we will take it from the same source as the cotton statistics, from the ginner. That could be very easily done, you will see, on the same line of inquiry as the other.

Mr. MANN. Do you not take a decennial census of the cotton seed?

Mr. MERRIAM. Yes, sir; but we have not taken it in connection with this inquiry here.

Mr. LOVERING. I think there is a formula that is safe to observe in regard to that, is there not, Mr. Richardson?

Mr. RICHARDSON. What is that?

Mr. LOVERING. Three pounds of seed give 1 pound of cotton. That is an average, is it not?

Mr. RICHARDSON. Yes; that is the average.

Thereupon the committee went into executive session, after which it adjourned.

PATENT LAW ASSOCIATION,
Washington, D. C., December 15, 1902.

The COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
House of Representatives.

GENTLEMEN: Under the favor accorded our association in your letter of recent date to me I beg leave to herewith transmit a report of the committee of laws and rules of our association, which embodies, in main, the reasons which have led our association to the conclusion that at the present time it is inexpedient to transfer the Patent Office of the United States to the new Department of Commerce and Labor.

I have the honor to be, sirs, your obedient servant,

J. H. WHITTAKER,
First Vice-President.

DECEMBER 11, 1902.

Mr. J. H. WHITTAKER,
First Vice-President, Patent Law Association of Washington.

SIR: With reference to the bills having in contemplation the creation of a new "department of commerce and labor," the association has considered this matter, and through its committee on laws and rules has consulted a large number of patent lawyers, who represent the inventors and manufacturers interested in patents.

Some years ago, when the department of commerce and manufactures was first projected, it was so planned that it appeared to patent men on the first blush that the Patent Office might perhaps be incorporated in such a department. The scope given the proposed new department by the bills and a more careful consideration have led to the opposite opinion.

We think it may be assumed that the absence of any good and suffi-

cient reason for transferring the Patent Office to the new department would of itself argue the transfer inexpedient. In addition to the absence of good and sufficient reasons for the transfer, there appear to be good reasons against it. This combination seems to us conclusive.

The committees of Congress are no doubt already informed that the Patent Office occupies judicially a position of peculiar independence. In his judicial functions the Commissioner of Patents is the last executive resort, appeals from him going directly to the court. With reference to his force, the Commissioner recommends appointments and dismissals, which are made upon the approval of the Secretary of the Interior, the Secretary having no power himself to institute either appointments or dismissals. The Commissioner of Patents and the Assistant Commissioner of Patents are heavily bonded officers and assume a direct responsibility.

By an act of the present Congress the Assistant Secretary of the Interior has been relieved from the onerous and unnecessary duty of signing patents. At the present time, therefore, the Secretary of the Interior acts only as a ministerial restraint upon the Patent Office. It is understood that with reference to certain ministerial duties, or, for example, in case the Commissioner of Patents should decline to perform some duty expressly defined in the Rules of Practice, there might be an appeal to the Secretary of the Interior. To reach this position of a thorough understanding of the relative duties has taken many years. There was at one time a natural but earnest dispute between the office of the Secretary of the Interior and the Patent Office as to the real position of the Patent Office. By decisions of the courts, particularly by a decision of the Supreme Court of the United States, these matters have been settled in principle, while by a number of opinions of the Assistant Attorney-General for the Department of the Interior specific subject-matters have been adjudicated.

To-day there are only certain routine matters in which the Secretary of the Interior exercises supervisory authority. In the course of time these routine matters have come to be thoroughly understood by the force of the office of the Secretary of the Interior and are so well systematized that now they pass along in the regular business channel, together with similar business matters from other bureaus of the Department. We are advised and we know by experience that if the Patent Office were taken away from the Department of the Interior it would not in any degree lessen the force of the Secretary's office. There would, therefore, be no practical administrative or economical end to be gained by the transfer of the Patent Office.

The Patent Office now has over 700 employees and an immense amount of records stored in the building which has always been known as the Patent Office. While it may be practicable at some time in the future to provide a thoroughly modern building with a machine shop, laboratory, test rooms, library, and a special provision for the copies of patents, assignments, etc., and other records which are in greater demand and more active use than any other records of the Government, it is thought that a residence and accompanying sentiment of over sixty years would suggest that the Patent Office should remain in the building it now occupies, unless some of the suggested advantages to the inventors and manufacturers could be offered to offset the evident advantages of custom and association.

The Patent Office has become in recent years a tremendous working engine. It represents an active, pushing, progressive tendency that the United States has so wisely fostered. It would be unwise, of course, in any way to disturb or retard this spirit. While we can not

be certain that a transfer to a new department feeling its way into public favor and having a distinct purpose and a special object in view would be detrimental to the vast interests centering about the Patent Office, we are of the opinion that it would be better, at least for the present, not to experiment in any way with this Bureau.

It is understood that the purpose of the new department is to obtain information, collect statistics, and foster commerce. It is to be, briefly, an adviser of the Executive on all matters which relate to domestic and foreign markets. There is nothing whatever in the Patent Office, or rather in the functions of the Patent Office, which can be of any assistance in such a plan. The Patent Office is concerned in the examination of applications for patents, in granting patents, and in recording the titles thereto. While inventions and the grant of patents have undoubtedly been the foundation of the mechanical progress of this country, the Patent Office itself would not be the source of information contemplated by the new department. Its relation to that information would not even be as close as the Land Office to the Department of Agriculture, for example. The Land Office has granted the title to thousands of farms, but can give no information on the methods of farming. The Land Office does give information or obtain information for itself as to the resources of the lands, in which respect it more nearly approaches the Department of Agriculture than the Patent Office could ever approach the projected department of commerce and labor.

We are of the opinion that to add the Patent Office to the new department would be to simply hamper the new secretary in his duties. If he should be thoroughly informed as to the precise relations existing between the Patent Office and commerce, manufactures, and labor, then he would know that it could add nothing to his facilities for securing statistics or to the general plan. If he or his successors, however, should not be thoroughly informed, they would probably be led into following the same path trod by past Secretaries of the Interior in reaching the present thorough understanding of the exact relations between the Patent Office and the Department of the Interior. It would involve a disturbance of settled conditions, a large amount of work and additional employees to reach the same point under the new conditions.

The Patent Office, while the foundation of the patent system, is only a part of the patent system. It is the patent system as a whole which has so immensely benefited this country. The patent system has built up the manufactures of the country, but it does not and ought not to provide in any way for keeping track of the precise result which may flow from any particular patent or set of patents. This is statistical work, which is done by the Census Bureau and other bureaus.

The very fact that the Patent Office might be led or forced into that line of extraneous work, and thereby conflict with other bureaus and its legitimate work, would be a reason against the transfer. Already the work of the office is pressing, urgent, and constant, and we should hesitate very much to add anything whatever to the duties of the office. It is our desire that in the future those duties may be simplified and centered as far as possible, so that the whole attention of the Commissioner and his force may be given to the difficult duty involved in the examination of applications for patents and in the determination of priority between rival inventors.

If it should be suggested that the Patent Office be transferred for the mere sake of proportions, it has no doubt already occurred to the

committees of Congress that that reason alone would, of course, be of small weight. This is especially so in view of the fact of the great proportions attained in active work by the Census Bureau. We believe that the proportions of the Department would be such that it would be inexpedient to add a force of 700 at once for the mere sake of numbers.

The office of the Secretary of the Interior has a competent body of lawyers under the Assistant Attorney-General. The examiners of the Patent Office are called upon in their daily work to apply both "scientific and legal attainments." It is more advantageous, even in the occasional cases that arise, and as an atmosphere, for this quasi-judicial bureau to be associated with another and quasi-judicial bureau rather than with purely business and statistical bureaus.

There is one extraneous line of work under the supervision of the Commissioner of Patents which might with propriety go to the new department, viz, the registration of trade-marks. Trade-marks are immediately allied to commerce and have no relation to patents or inventions. However, such a transfer would involve a very few employees, probably lessening the employees of the Patent Office by not more than two and probably increasing the employees of the new department by not more than six.

After carefully weighing the whole matter there appears to us to be no good or sufficient reason for adding the Patent Office to the new department. We therefore think that for that reason alone it ought not to be added. Certainly not for the present and until the new department has felt its way into its new duties and taken color and character, so that it may be determined with more accuracy what bureaus properly belong under it.

Very truly, yours,

WALTER F. ROGERS.
WALLACE A. BARTLETT.
ARTHUR S. BROWNE.
WM. W. DODGE.
GEORGE F. WHITTLESEY.

TRAVELERS' PROTECTIVE ASSOCIATION.

At the close of the annual convention of the Travelers' Protective Association in June, 1895, about 1,000 delegates and attending visitors made an itinerary through Mexico. Courtesies were extended the visitors by Consul-General Crittenden and the President of Mexico.

It soon became apparent to the excursionists that our country was not as closely allied commercially with our sister Republic as our interests warranted and demanded. It was suggested that our consular officers could in fact become commercial agents in foreign lands for the betterment of the trade of the entire country, providing markets for the surplus of the output not consumed at home, of our factories, mines, and farms. A resolution was adopted requesting our national legislative committee to draft a bill and present it to Congress embodying the foregoing ideas; hence H. R. 4447 was offered by Mr. Cobb, of Missouri, January 21, 1896. (See Exhibit 1.)

About six weeks thereafter Senator Frye, of Maine, introduced S. 2447, March 9, 1896. This bill enlarged and exemplified the original one. (See Exhibit 2.)

Mr. Meyer, of Louisiana, in the same Congress, offered H. R. 9667, December 15, 1896. This bill still further widened the scope of the proposed legislation. (See Exhibit 3.)

The Maryland Division, T. P. A., held its regular meeting. Jan-18, 1896. You will observe that this meeting promised further effort to secure the passage of this law. (See Exhibit 4.)

The matter of drafting a new bill was intrusted to me, as chairman of the subcommittee on this special legislation, and in February, 1897, our new bill was given to the public under an entirely new title, namely, "Department of Commerce and Industries." A copy was placed in the hands of Postmaster-General Gary for the purpose of obtaining the views of the President thereon, which I afterwards learned received his sanction.

Section 6 of this bill is entirely new and a distinguishing feature. Representative William B. Baker, of Maryland, offered this bill. (See Exhibit 5.)

Complications with Spain and subsequent war engrossed the attention of Congress and the country and this legislation was permitted to become dormant.

During November, 1899, all the foregoing data was given to Senator McComas, who agreed to have it offered in the Senate, and by an understanding with him it was introduced by Senator Frye. S. 738, December 6, 1899. (See Exhibit 6.)

Senator Nelson submitted amendment January 10, 1900. (See Exhibit 7.)

The bill was reported favorably February 8, 1900. (See Exhibit 8; also argument and statement, Exhibit 9.)

The Republican national convention that assembled in Philadelphia June, 1900, incorporated a plank in the platform indorsing this bill, as follows:

In the interests of our expanding commerce we recommend that Congress create a Department of Commerce and Industries, in charge of a secretary, with a seat in the Cabinet. The United States consular system should be reorganized under the supervision of this new department upon such a basis of appointment and tenure as will render it still more serviceable to the nation's increasing trade.

The American Government must protect the person and property of every citizen wherever they are wrongfully violated or placed in peril.

The Democratic platform had a plank approving some of the features of this bill.

Mr. Schirm introduced, December 2, 1901, H. R. 95 (see Exhibit 10). Section 8 of this bill has never been in any other similar bill, and appears to have anticipated recommendations that the President made in his message to Congress subsequent to the introduction of this bill.

Mr. Brownlow introduced, December 2, 1901, H. R. 14 (see Exhibit 11). This bill appears to be rather crude and will require a great deal of further legislation to be effective.

Senator McComas introduced, December 4, 1901, S. 343. As I have had no conversation with the Senator on this matter for nearly a year, when the Frye bill was still on the Calendar of the Senate, I had supposed the matter had passed entirely from his memory. (See Exhibit 12.)

Senator Nelson introduced, December 4, 1901, S. 569. He has gone back to the original name, and simply calls it a Department of Commerce. (See Exhibit 13.)

Practically every commercial organization in the United States has individually indorsed this legislation. The National Board of Trade, which is composed of delegates from the boards of trade and commercial associations of all the cities of the country, has twice, to my knowledge, indorsed the bill under its present title.